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I. INTERNATIONAL RELATIONS

STEPS TOWARD LOCARNO.—The Locarno Conference, which seems already to have taken its place as one of the major events of modern history, was not a sudden or an isolated flare of pacific statesmanship; on the contrary, it was the outcome and summary of a whole series of events, some appreciation of which is indispensable if the Locarno treaties are to be made intelligible. To begin with, the **negotiations for the security of the Rhine frontier**, conceived at first solely with the idea of defending France against future German attack, date back to the secret Franco-Russian agreement of 1917 whereby the Left Bank of the Rhine was to be made a buffer state and to be occupied by French troops. For this first and crudest project, Premier Lloyd George and President Wilson at the Peace Conference had substituted a temporary Inter-Allied occupation of the Rhineland and the defense treaty of June 28, 1919, whereby Great Britain and the United States were pledged to succor France against any unprovoked aggression by Germany. But the defense treaty, being refused ratification by the United States Senate, fell by the wayside, and at the Cannes Conference of 1922 Premiers Lloyd George and Briand planned to substitute for it an Anglo-French pact in which England alone would undertake to protect France. This in turn failed, because M. Briand was suddenly overthrown and his successor M. Poincaré desired a quite different sort of alliance.

The project of a French security pact was merged after 1922 with general negotiations in the League of Nations for **disarmament and security.** The principle that disarmament depends upon national security was asserted by the Third Assembly of the League, in the autumn of 1922, and became a foundation for future projects. The next step was the formulation, by the Temporary Mixed Commission of the League, of the "Draft Treaty of Mutual Assistance," generally known as the Cecil-Réquin plan. One of its most essential features

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was the provision that members of the League may conclude mutual defense treaties and in case of aggression take immediate action without waiting for the League's verdict. When the Draft Treaty was referred by the Assembly in 1923 to the members of the League, certain of its provisions were objected to by Great Britain and other nations, and the project failed of adoption. Yet the idea of regional agreements for security, as the basis for disarmament, was not forgotten.

The next step was the settlement of the reparation controversy by the Dawes report and the adoption of the Dawes Plan by the **London Conference** of midsummer 1924. In several ways the London Conference was a long step toward Locarno: it confirmed as between the Macdonald and Herriot Governments the Anglo-French *entente cordiale* which had been so singularly lacking in cordiality as between their predecessors, and thus it paved the way for the renewal of Anglo-French security negotiations; at the same time it made the inclusion of Germany in such negotiations less impossible, for it removed much of the bitterness from the reparation problem, it brought to an end the Ruhr occupation which had so aggravated Franco-German antagonism, and it proved that amicable conferences and agreements with Germany were not, as had been thought, out of the question.

These achievements were mirrored in the **Geneva Protocol** [1] of 1924, which grew out of the Fifth Assembly's discussions of the Draft Treaty and of the unofficial American Plan [2] submitted by Dr. James T. Shotwell and a group of distinguished Americans. Much of the Protocol was simply a reworking of these earlier proposals, but one significant innovation was the provision that regional defensive groupings within the League "shall remain open to all States Members of the League which may desire to accede thereto" (article 13). As was pointed out in the last RECORD (p. 12), this clause would have enabled Germany to convert an Anglo-French defensive alliance into a triple alliance. It was another step toward the transformation of a one-sided Anglo-French defensive alliance into a mutual security pact. And this step, as well as the more fundamental features of the Protocol —notably the principles that disarmament must go hand in hand with arbitration and security, that all aggressive war must be prohibited, that all disputes must be settled peacefully, and that security must be obtained by mutual guarantee—did not prove futile. Indeed, they were to be incorporated in the Locarno pact, even though the Baldwin Government, succeeding the Labor Cabinet in England, rejected the Protocol itself.

[1] *Cf.* explanation of the Protocol's provisions in last RECORD, pp. 8-15.

[2] *Cf.* last RECORD, p. 9.

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The formal, written statement[1] which the Rt. Hon. (now Sir) Austen Chamberlain, as British foreign minister and delegate to the Council, read to the Council of the League of Nations on March 12, 1925, is of twofold interest: as an explanation of Great Britain's reasons for rejecting the Geneva Protocol, and as a fairly definite foreshadowing of what occurred later at Locarno. The reasons for rejection may be summarized. (1) The Protocol, designed to stop "certain gaps" in the Covenant, makes arbitration virtually the last resort; but "many States Members of the League" feel that "the objections to universal and compulsory arbitration might easily outweigh its theoretical advantages;" moreover, the British objections to compulsory arbitration, far from being diminished by the Protocol, "have rather been increased, owing to the weakening of those reservations in clause 15 of the Covenant, which were designed to prevent any interference by the League in matters of domestic jurisdiction."[2] (2) As several powerful nations, notably the United States, are not members of the League, "it is most unwise to add to the liabilities already incurred;" in particular, "economic sanctions" might be ineffective while "powerful economic communities" remain outside the League. (3) Articles 7 and 8 of the Protocol, prohibiting increases of armament or mobilization by the parties to a dispute, "may embarrass the victim of aggression even more than the aggressor." Great Britain could not agree that "its ships are to remain immovably fixed on the stations where the chance conveniences of peace may happen to have placed them," in case of threatened war. (4) Article 15 of the Protocol, requiring the aggressor to pay the war costs and reparation, and guaranteeing the territory and independence of the aggressor, embodies principles with which the British Government sympathizes, but which should not be embodied "in dogmas of inflexible rigidity." (5) The provisions of the Protocol, instead of completing the Covenant, "destroy its balance and alter its spirit," because they too much emphasize sanctions and military procedure, and thereby "insensibly suggest the idea that the vital business of the League is not so much to promote friendly co-operation and reasoned harmony in the management of international affairs as to preserve peace by organizing war, and (it may be) war on the largest scale." (6) Finally, the British Government felt that the Protocol was no better safeguard than the Covenant against a "faithless Member of the League" or "some predatory nation outside the League." After reading this declaration, Mr. Chamberlain added an item that should be heavily underlined; "it appears that the Governments of the Dominion of Canada, of the Commonwealth of Australia, of New Zealand, of the Union of South Africa and of India are also unable

[1] *L. N. Official Journal*, April, 1925, pp. 446-450.

[2] See last RECORD, pp. 10-11, on "Domestic Questions".

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to accept the Protocol." Mr. Chamberlain's fifth point was eloquently combatted by M. Briand;[1] the third and fourth were matters of detail, and the sixth was based on an "inaccurate interpretation of the meaning of the authors of the Protocol," as M. Benes pointed out the next day.[2] On the first point, however, it was clear that a fundamental difference of opinion existed between Great Britain and the Continent. The French Government, seeing in the Protocol a binding and effective guarantee of peace not only on the Rhine but —and to France this seemed essential—also on the eastern frontier of Germany, desired to keep the Protocol. M. Benes of Czechoslovakia expressed the longing of the small nations in the "danger zone of Europe" for the Protocol system of compulsory arbitration.

The substitute which Mr. Chamberlain proposed was a return to the plans of 1923, but with a most significant modification, which could hardly have been entertained before the London Conference or the Protocol discussions. He suggested that in close harmony with the League special arrangements should be made, "knitting together the nations most intimately concerned . . . by means of treaties framed with the sole object of maintaining, as between themselves, an unbroken peace."

What Mr. Chamberlain suggested on March 12 had already been proposed, in effect, by Germany on February 9, and even earlier. Thus the Geneva discussions at this point merged with another chain of events concerning the **disarmament of Germany and the evacuation of Cologne.** Article 429 of the Treaty of Versailles provided that "if the conditions of the present Treaty are faithfully carried out by Germany," at the expiration of five years the Allies would evacuate the Cologne bridgehead and the northern zone of the occupied territory on the left bank of the Rhine.[3] The date of evacuation would therefore be January 10, 1925. The Allies, however, by a joint note dated January 5, informed Germany of their decision not to evacuate Cologne at this time, on the ground that Germany had not fulfilled the treaty clauses regarding disarmament. Germany of course protested. Premier Herriot of France replied, in a notable speech before the French Chamber of Deputies on January 28, asserting that Germany had not loyally carried out the treaty terms on disarmament; there was still a dagger pointed at the heart of France, and France desired only to have it removed. Two days later, Chancellor Luther of Germany resumed the debate, with a constructive proposal. Germany, like France, desired security, and wished to participate in the preparation of a regional guarantee for this purpose. A more detailed

[1] *L. N. Official Journal,* April, 1925, p. 451.

[2] *Ibid.,* p. 458.

[3] There is a convenient map of the three zones of occupation, in the *Statesman's Year Book,* 1925, following p. xxxv.

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statement of this proposal was forwarded to the Allies in a memorandum dated February 9.[1] Germany was willing to enter into a treaty with the powers interested in the Rhine, particularly France, England and Italy, guaranteeing voluntarily what had hitherto been accepted only under protest, namely, the new Rhine frontier and articles 42 and 43 of the Versailles Treaty (prohibiting fortifications or armed forces in the demilitarized zone including the Left Bank of the Rhine and the area within fifty kilometers east of the Rhine). Germany would also be prepared to sign comprehensive arbitration treaties with her western, and also with her eastern neighbors. This German proposal was similar to the proposal of Dr. Cuno in 1922 that the Great Powers interested in the Rhine frontier should pledge themselves for one generation not to make war against each other without a preliminary plebiscite, and the German proposals of May and September, 1923, offering to sign a pact with France for the peaceful settlement of all disputes. These earlier overtures had been rebuffed, apparently with little consideration. By 1925, however, the events summarized above had so altered the situation that the German proposal seemed to fit in admirably with the views of the Baldwin Government, which desired to establish a more secure peace in Europe, for the sake of Britain's own security and prosperity if for no other reasons, and yet was reluctant to accept any such universal and rigid obligations as it believed were embodied in the Geneva Protocol.[2] It was now Mr. Chamberlain's task to persuade France.

The French Government, firmly attached to the Geneva Protocol, was diffident toward the Anglo-German proposals for a substitute in the form of a Rhineland guarantee pact including Germany and safeguarding Germany against France as well as France against Germany. France would consider the project, but only on certain conditions. Such a pact must not imply any revision of the Versailles treaty provisions or abandonment of the right to require their fulfilment; Germany must be required to enter the League and accept the obligations of the Covenant; Belgium must be included. France was concerned, too, regarding the implications of the proposed pact respecting the status quo in the east, for the French alliances with Czechoslovakia and Poland, for the support of that status quo, could not lightly be cast into the discard.

[1] German text in *Europäische Gespräche,* Juli 1925, p. 346.

[2] An interesting secret memorandum on British policy published by the New York *World* on May 10, 1925, and alleged to have been drafted by Mr. Chamberlain, affords an edifying analysis of British interests in the security negotiations and particularly in guaranteeing France against attack. *Cf.* Mr. Macdonald's questions and Mr. Chamberlain's replies, concerning the authenticity of this document, in *Parliamentary Debates,* vol. 183, p. 1456 *et seq.*

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The French requirement that Germany enter the League needs some explanation, for in this matter the pact negotiations united with still another series of prior events. On December 12, 1924 the German Government had informed the League that "political developments during the past year have rendered it possible for Germany to join the League" and that therefore they had "decided to seek the early admission of Germany" [1]—on certain conditions. To this overture the League Council had replied in March, 1925,[2] expressing willingness to admit Germany "on a footing of equality," with membership in the Council as one of the Great Powers, but insisting that Germany could not be exempted from article 16 of the Covenant. Germany had contended that in view of her disarmament and impotence, she should not be required by article 16 to join in war and in an economic boycott against a nation which violated the Covenant. The Council, however, reminded Germany that as regards military punishment of offenders, Germany as a member of the Council would always have a voice in deciding what recommendations the Council should make to League members as regards their participation in military and naval measures. As for the economic sanctions, on the other hand, the Council felt that no member of the League could be exempt from the general obligation imposed by article 16, to sever all trade or financial relations with a Covenant-breaking state. At this point the negotiations were temporarily halted, until the question was revived in a more urgent form by the demand of France for Germany's entry into the League as a condition of any Franco-German security pact. The above-mentioned French requirements, together with a number of others, were agreed upon after exchanges of notes [3] between France and Great Britain, and embodied in the Anglo-French reply (in the form of a French note dated June 16) to Germany. Further correspondence with Germany [4] led to a meeting of legal experts in London early in September, to prepare drafts of the proposed agreements. The final act was to occur at Locarno.

THE LOCARNO CONFERENCE AND SECURITY PACT.—At the little Swiss town of Locarno, on the shores of the beautiful Lago Maggiore, in the shadow of the Alps, the security pact was concluded. So careful had been the preparatory work, that only twelve days, from October 5 to 16, were required to reach agreement. Perhaps the calm surroundings had some influence; certainly the informal intimacy of a boat trip on the lake and of automobile excursions helped to induce a conciliatory disposition. But above all,

[1] *L. N. Official Journal,* March, 1925, p. 323.

[2] *Ibid.,* April, 1925, p. 490.

[3] Great Britain, *Misc. Series, no. 7 (1925), Cmd. 2435.*

[4] Great Britain, *Misc. Series, no. 9 (1925), Cmd. 2468.*

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the "spirit of Locarno," which has been so much admired by commentators, sprang from the practical lessons of compromise and cooperation which had been afforded at Geneva in the League's discussions, and the London Conference on the Dawes Plan. It is perhaps significant that the negotiators at Locarno were neither diplomatic novices nor naïve idealists. Great Britain was represented by Mr. Austen Chamberlain, secretary of state, son of the great tariff-reformer, staunch imperialist and believer in the British genius for "muddling through," which is to say, following expedient rather than logical or consistent methods of promoting British interests. France sent the veteran M. Aristide Briand, seven times premier, but at the moment foreign minister, eloquent, sagacious, practical. Germany was represented by her Centrist Chancellor, whose policy had been, in two words, reconciliation and reconstruction, and Dr. Gustav Stresemann, foreign minister and a leader of the People's party. Foreign Minister Vandervelde represented Belgium; Signor Sciajola, Italy, but at the last moment Premier Mussolini dramatically appeared to solemnize the event by his presence and signature. Dr. Benes, foreign minister of Czechoslovakia and one of the chief parents of the Geneva Protocol, came to conclude an arbitration treaty with Germany, as did also Count Skrzynski, foreign minister of Poland.

The "Locarno agreement" consisted in reality of nine documents:[1]

(1) The "**final protocol**" stated that the draft treaties had been approved and that formal signature will take place in London on December 1.

(2) A **note** initialed by Vandervelde, Briand, Chamberlain, Mussolini, Benes and Sciajola, assured Germany that they interpreted article 16 of the Covenant to mean that "each State member of the League is bound to cooperate loyally and effectively in support of the Covenant and in resistance to any act of aggression to an extent which is compatible with its military situation and takes its geographical position into account." This formula, we may pause to note, is taken directly from paragraph 2 of article 11 of the Geneva Protocol of 1924. Although M. Benes in his report on the Protocol optimistically remarked that by this clause the obligations of League members were "clearly defined," the formula remains after all but a formula, whose meaning depends on its interpretation. It served, however, as the Allies' reply to Germany's request (*cf. supra*) for exemption from article 16, and it seems to imply that because of her exposed position and military disarmament, in any specific case of conflict in central Europe, the obligation on Germany to uphold the Covenant would require no important military action.

(3) The **Security Pact or Treaty of Mutual Guarantee**, the cornerstone of the Locarno arrangement, was initialed by Luther and

[1] Texts in *Int. Conciliation* and World Peace Fdn. pamphlets.

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Stresemann for Germany, Vandervelde for Belgium, Briand for France, Chamberlain for England, and Mussolini for Italy. Its principal clauses may be summarized as follows. Article 1. The five Powers "collectively and severally guarantee" the **inviolability of the new frontiers** between Germany and France and Belgium, and also the observance of articles 42 and 43 of the Treaty of Versailles, forbidding Germany to maintain or construct fortifications or to assemble or maintain troops, either on the Left Bank of the Rhine or on the right bank west of a line drawn fifty kilometers east of the Rhine. In effect, Germany voluntarily renounces all hope of regaining her lost territories in the west. She freely accepts the new frontier which since 1919 had been tolerated under duress. Article 2, paragraph one, is the fundamental clause outlawing war in what had been for centuries the worst danger zone in Europe. "Germany and Belgium, and also Germany and France, mutually undertake that they will in no case attack or invade each other or resort to war against each other." The article mentions three exceptional cases in which war will be permitted. First, "legitimate defense, that is, to say, resistance to a violation of the undertaking contained in the previous paragraph or to a flagrant breach of Articles 42 or 43 of the said Treaty of Versailles, if such breach constitutes an unprovoked act of aggression and by reason of the assembly of armed forces in the demilitarized zone immediate action is necessary." Second, "action in pursuance of Article 16 of the Covenant" is allowed. This might mean the application of military sanctions against Germany, France, or Belgium, if one of these had "resorted to war in disregard of its covenants" requiring submission of disputes to arbitration or inquiry (see articles 12, 13 and 15 of the Covenant); or it might mean affording passage to the forces of members of the League who were applying such sanctions against a covenant-breaking state in eastern Europe. The third exception is "action as a result of a decision taken by the Assembly or by the Council of the League of Nations or in pursuance of Article 15, Paragraph 7, of the Covenant of the League of Nations, provided that in this last event the action is directed against a State which was the first to attack." The paragraph mentioned allows members of the League "to take such action as they shall consider necessary for the maintenance of right and justice" in case the Council fails to reach a unanimous report on a dispute.

By article 3 Germany and France and Germany and Belgium "undertake to settle by peaceful means . . . all questions of every kind which may arise between them and which it may not be possible to settle by the normal methods of diplomacy." As the methods of peaceful settlement are defined more carefully in the arbitration treaties of Locarno, a consideration of them will be postponed.

Article 4 gives **sanctions**, which are best explained by illustration.

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Let us suppose that Germany commits "a flagrant violation of article 2," that is to say, attacks or invades France (minor frontier incidents being ruled out by the word "flagrant"). France must immediately appeal to the League Council. While the Council is investigating the matter, France is resisting the invasion (under permission given in article 2, paragraph 1). England, Italy and Belgium are obligated each to "come to the help of" France, regardless of whether the others do so. But—and this point has often been overlooked—each has a considerable amount of discretion. The obligation is elastic, not rigid. Each is bound to give help, "as soon as" its own government "has been able to satisfy itself" not only that France has been attacked, but also that the attack was "unprovoked," and, further, that immediate action is necessary, either because German forces have actually crossed the frontier, or because hostilities have commenced, or because Germany is assembling armed forces in the demilitarized zone.[1] Rome and Westminster are free to decide that France has provoked Germany in some way, or that immediate action is not necessary, and therefore to remain netural. Or, if they take the French view, they will aid France. In either case, such action is provisional, at least in theory, pending the Council's report. If Germany's aggression was flagrant, the neutral members of the Council will probably uphold the action of England and Italy in aiding France, and the thunderbolt of economic boycott will automatically be released against Germany by all members of the League (by article 16, paragraph 1, of the Covenant); in addition, the Council may recommend that other members of the League participate in the war against Germany (but see the interpretation of article 16, above). It is theoretically possible, but hardly probable, that the neutral members of the Council, i. e., the six elected small states, would by unanimous vote overrule the action of Great Britain, France and Italy and declare France rather than Germany at fault; but if this happened the said

[1] This provision is crucial enough to warrant quotation in full of paragraph 3: "In case of a flagrant violation of Article 2 of the present Treaty or of a flagrant breach of Article 42 or 43 of the Treaty of Versailles by one of the High Contracting Parties, each of the other High Contracting Parties hereby undertakes immediately to come to the help of the Party against whom such a violation or breach has been directed as soon as the said Power has been able to satisfy itself that this violation constitutes an unprovoked act of aggression and that by reason either of the crossing of the frontier or of the outbreak of hostilities or of the assembly of armed forces in the demilitarized zone immediate action is necessary. Nevertheless, the Council of the League of Nations which will be apprised of the question in accordance with the first paragraph of this article, will issue its findings, and the High Contracting Parties undertake to act in accordance with the recommendations of the Council, provided that they are concurred in by all the members other than the representatives of the Parties which have engaged in hostilities."

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three Great Powers would be required to turn their armies about face, against France. A less fantastic possibility would be that the Council's investigation might disclose facts which proved Germany's innocence, and the war might conceivably then be terminated by mutual consent. On the other hand, if Great Britain and Italy had considered the case doubtful at first, and refused to aid France, the Council's investigation might so clearly establish Germany's guilt as to bring article 16 of the Covenant into play; but this could not be done, and no military recommendations could be made by the Council, unless England and Italy themselves cast their votes in the Council in favor of such action and such recommendations. In the last resort, then, Italy and England remain judges of the situation, under a moral obligation to aid France (or Germany, or Belgium) *if and when* they believe such aid justified and necessary.

Article 5 of the Locarno Pact supplements article 4 by providing for **disputes** which are not accompanied by armed attack, invasion, or violation of the demilitarized zone. If Germany, France, or Belgium, without violating article 2 (i. e. resorting to war, attack, or invasion)[1] or violating articles 42 or 43 of the Versailles Treaty (i. e. constructing fortifications or assembling troops, etc., in the demilitarized Rhine zone), "refuses to submit a dispute to peaceful settlement or to comply with an arbitral or judicial decision, the other Party shall bring the matter before the Council of the League of Nations, and the Council shall propose what steps shall be taken: the High Contracting Parties shall comply with these proposals." Italy and England, it should be remembered, having votes in the Council, would have a voice in the proposals, and a veto on unwelcome proposals. This article partly fills a gap in the Covenant, as to what should be done in case a nation while refraining from war refuses peaceful settlement or disregards a unanimous report of the Council; in case of failure to carry out an arbitral or judicial award, the Covenant (article 13, paragraph 4) had authorized the Council to "propose what steps should be taken to give effect thereto."

The remaining articles of the Pact are **reservations.** Article 6 preserves intact "the rights and obligations of the High Contracting Parties under the Treaty of Versailles, or under arrangements supplementary thereto, including the agreements signed in London on August 30, 1924" (i. e., application of the Dawes Plan). This was to satisfy one of the essential conditions laid down by France. Article 7 affirms that the treaty is "in conformity with the Covenant of the League of Nations" and "shall not be interpreted as restricting the duty of the League to take whatever action may be deemed wise and effectual to safeguard the peace of the world." Article 8 provides

[1] The *Current History* text of the treaty, Dec. 1925, erroneously refers to article 3 instead of article 2 in this connection.

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that the treaty shall be registered at the League, and remain in force until on a request from one of the signatories, three months' notice of the request having been given, the Council of the League decides that the League itself "affords sufficient protection to the High Contracting Parties." The Locarno Treaty shall cease to have effect on the expiration of one year after such a decision. The Council's decision must be taken by at least a two-thirds majority. Article 9 contains the interesting British stipulation that the treaty shall impose no obligation upon any of the British Dominions or upon India, unless the government of such Dominion or of India signifies its acceptance of the treaty. The Dominions, it appears, are not to be involved in European alliance without their specific consent (*cf. infra*, p. 85). Article 10 provides that the treaty shall enter into force as soon as all the ratifications have been deposited at Geneva, and Germany has become a member of the League. Thus the whole agreement rests upon Germany's entry into the League (*cf. supra*, pp. 5-6, 7 and *infra*, Germany).

The central Security Pact which has just been analyzed is supplemented by four **arbitration treaties**: (4) between Germany and France, (5) between Germany and Belgium, (6) between Germany and Poland, and (7) between Germany and Czechoslovakia. The Locarno arbitration treaties are less rigid than the Protocol, and closely in harmony with article 13 of the Covenant. By article 1 of the Franco-German arbitration treaty, all disputes between the parties "as to their respective rights," including "in particular those mentioned in article 13 of the Covenant" are to be submitted either to an arbitral tribunal or to the Permanent Court. But first they may be referred (article 2), to a new Permanent Conciliation Commission, consisting (article 4) of one French commissioner appointed by France, one German appointed by Germany, and three other commissioners appointed by common agreement from among the nationals of other powers, the appointments being for three years. In any dispute, either France or Germany may replace its commissioner by an expert on the particular question in hand. The Commission, having been called into action by one or both of the parties (article 6) must proceed to investigate the dispute and may take the testimony of experts and witnesses, or visit the locality with which the dispute is concerned (articles 12 and 14), besides hearing the agents, counsel, experts and witnesses which France and Germany may send or summon (article 12). The Commission's first task is "to elucidate questions in dispute" and to collect all necessary information relevant to the dispute. It must then "endeavor to bring the parties to an agreement" and may propose terms of settlement (article 8). Its decisions are by a majority vote (article 13), and its report must be made within six months, unless France and Germany agree to extend the period

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(article 8). If the Commission fails to bring about an amicable settlement, the dispute must be submitted to the Permanent Court of International Justice or to an arbitral tribunal as provided by the Hague Convention of October 18, 1907 (article 16). But such submission requires a special agreement between France and Germany. If they cannot agree, within a month, on the submission of the dispute to the Court or to an arbitral tribunal, then—and this is a significant innovation—either France or Germany may bring the dispute before the Permanent Court of International Justice, without the consent of the other. By article 3 of the Locarno Security Pact the parties "undertake to comply" with the decision of the court.

Part II of the arbitration treaty covers non-justiciable disputes for the settlement of which no procedure has been laid down by other treaties in force. These are submitted first to the Permanent Conciliation Commission, with the same procedure as for justiciable disputes (article 17). If the dispute has not been settled by the Commission or within a month after the report of the Commission, either France or Germany may bring it before the Council of the League of Nations, which shall deal with it according to article 15 of the Covenant (article 18). Finally, respecting both justiciable and other disputes, article 19 makes the general rule that the Conciliation Committee, or the Permanent Court, or the Council, as the case may be, shall lay down "provisional measures" to prevent aggravation of the situation out of which the dispute arose and the parties undertake to accept such measures and to abstain from any action likely to prejudice the decision or aggravate the dispute. Article 20 makes the treaty applicable as between France and Germany even when other powers are also interested in the dispute. The treaty is to enter and remain in force under the same conditions as the five-power Security Pact of Locarno.

The remaining four treaties signed at Locarno concerned the relations of Czechoslovakia and Poland with Germany. The **arbitration treaties between Germany and Poland, and between Germany and Czechoslovakia** are identical with the Franco-German arbitration treaty, save for the change of names and the insertion of an additional article, article 21, which reads: "The present treaty which is in conformity with the Covenant of the League of Nations, shall not in any way affect the rights and obligations of the high contracting parties as members of the League of Nations and shall not be interpreted as restricting the duty of the League to take whatever action may be deemed wise and effectual to safeguard the peace of the world." This article is almost literally reproduced as article 2 in the **new French alliance treaties, signed at Locarno, with Poland and Czechoslovakia.** The Anglo-French correspondence prior to Locarno shows that this provision grew out of a British draft, which in turn had been

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suggested, in the pre-Locarno negotiations, by a French stipulation that the rights of the Allies under the Covenant and the Versailles Treaty, and their existing obligations, must not be impaired. The article as it stands seems to imply, for one thing, that France maintains her right under the Covenant (articles 10 and 16) to aid Poland or Czechoslovakia in case either should be attacked. But it also implies that Germany when she becomes a member of the League may, under articles 11 and 18 of the Covenant, ask the League to consider a modification of Germany's eastern frontier.[1] In the east the League's scope of action is not limited, as it is in the west, by a rigid, guaranteed territorial status quo. One other point is of interest. In the new alliance treaties which France signed with Poland and Czechoslovakia, and which are identical save for names, article 1 is essentially a special French pledge to aid Poland or Czechoslovakia, in case of need, under the Covenant. France, in fact, promises in article 1 to exercise the rights which she reserved in article 2 of the same treaties and in article 21 of the arbitration treaties. Article 1 of the Polish treaty provides: "In the event of Poland or France suffering from a failure to observe the undertakings arrived at this day between them and Germany with a view to the maintenance of general peace, France, and reciprocally Poland, acting in application of Article XVI of the Covenant of the League of Nations, undertake to lend each other immediately aid and assistance, if such a failure is accompanied by an unprovoked recourse to arms. In the event of the Council of the League of Nations, when dealing with a question brought before it in accordance with the said understandings, being unable to succeed in having its report accepted by all its members other than the representatives of the parties to the dispute, and in the event of Poland or France being attacked without provocation, France, or reciprocally Poland, acting in application of Article XV, Paragraph 7, of the Covenant of the League of Nations, will immediately lend aid and assistance."

Ratification of the Locarno treaties was approved by the British House of Commons on November 18, by a vote of 375 to 13, by the German Reichsrat on November 21 and 28, and by the German Reichstag, November 26-27, by a vote of 300 to 174 (*cf. infra*, Germany). The treaties were formally signed, with much ceremony and every manifestation of cordiality, at the Foreign Office in London on December 1. They are to enter into effect as soon as all the ratifications are deposited at Geneva and Germany has become a member of the League of Nations. It was expected that this event would take place early in 1926.

[1] The German foreign minister, Dr. Stresemann, told the Reichstag on Nov. 24 that "the English Foreign Minister categorically stated that stipulations of the League Covenant regarding frontier revisions were not affected by the Locarno treaties".

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EFFECTS OF THE LOCARNO CONFERENCE.—Reviewing the nine documents drafted at Locarno, and signed at London, one is impressed by several outstanding features. First, as Professor Seymour has remarked, if Versailles marked the end of the war, Locarno marks the beginning of the peace. More important even than the provisions of the treaties was the spirit shown at Locarno, the spirit of friendly and mutual determination to ensure peace in western Europe. Second, Locarno greatly strengthened the League, not only by providing for Germany's admission but also by reinforcing the League's general principles and general sanctions in their application to the danger zones on Germany's western and eastern frontiers. Whether Locarno will facilitate the future adoption of some such general pact as the Geneva Protocol, or lead to the formation of more regional pacts as a substitute for the Protocol, remains to be seen. Foreign Minister Benes of Czechoslovakia predicts that "The time is not far distant when there will be a second Locarno, when the whole of Europe will arrive at agreement with Russia."[1] The Greek foreign minister informed the League secretariat that Greece would welcome a Balkan Locarno, a compact for security and compulsory arbitration in the Balkans. Perhaps the marked drift toward closer relations among the Scandinavian and Baltic nations (*q. v.*) suggests another possible regional pact.

A third significant aspect of Locarno was that France at last gained the security so long sought, but in a form which promotes reconciliation with Germany rather than perpetuates the alliance against Germany. For Great Britain, it was a vindication of the British policy, of guaranteeing Franco-German peace without undertaking specific responsibilities in eastern Europe, and without forming an anti-German alliance. For Germany it meant, as Dr. Stresemann pointed out to the Reichstag, that instead of creating an alliance against her, the Allies received Germany back into the family of Great Powers; Germany would enter the League and receive a place in the Council, but the Covenant would probably be so interpreted as to satisfy, substantially, the German contention that, being disarmed, Germany could not participate in military punishment of aggressors. The Germans hoped, also, to gain several other points as a result of Locarno, and

[1] The idea was frequently voiced in the press, at the time of the Locarno negotiations, that Russian diplomacy was conducting intrigues to prevent the fruition of the security negotiations, and that the Locarno pact would mean greater unity of western Europe against Russia. To explain Locarno simply as an anti-Soviet maneuver would require wilful blindness to the more direct causes of Locarno as explained in the foregoing pages; but that Locarno weakens the Soviet Government's international position is probably true. After Locarno, official and semi-official statements emanating from Russia insisted that Russia could not enter into the League of Nations with capitalist powers, or accept compulsory arbitration.

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it is not improbable that informal assurances were given to Germany on several of these points. The points which the Germans regarded as either "conditions" of Locarno, or "logical consequences" of the pact, were: (a) Prompt evacuation of Cologne, (b) modification of the régime in the remaining occupied zones of the Rhineland and possibly the evacuation of these zones before the expiration of the periods specified in the peace treaty, (c) substitution of League supervision for Allied control of German armament, (d) hastening of the Saar plebiscite, (e) relaxation of restrictions on German aviation, (f) the restoration of one of the former German colonies to Germany, under a mandate. The last three are doubtful; but it is already apparent that the Allies must have decided, if they did not promise, to yield the first three points, which are discussed in the following section.

GERMAN DISARMAMENT AND THE RHINELAND OCCUPATION.—The evacuation of Cologne, scheduled to occur in January, 1925, under the Versailles Treaty, had been postponed by the Allies on the ground that Germany had not yet fulfilled the treaty provisions regarding disarmament. Germany's failures in this respect were specified in detail by the report of the Interallied Military Control Commission to Marshal Foch in February, and in the marshal's report to the Conference of Ambassadors in April. In June the Allies informed Germany of their complaints, and laid down certain conditions for the evacuation of Cologne.[1] But the matter dragged until after Locarno. Then, on October 23, Germany informed the Allies that she had substantially satisfied the demands made in June; whereupon the Allies on November 6 raised questions concerning the German general staff and the military training conducted by patriotic societies. Germany then promised to deprive General von Seeckt of his command of the Reichswehr, to liquidate the general staff, to abolish military titles in the Security Police, to destroy the heavy guns at Koenigsberg, and to prevent the military training of the youth. On the basis of these promises, but much more truly on the basis of the Locarno agreement, the Allies now decided to begin the evacuation of the first zone of occupation, which includes Cologne, on December 1, with the idea of completing the evacuation of this zone by February 20, 1926, if Germany had in the meantime been faithful to her promises. Accordingly, on December 1 British, French and Belgian troops began their withdrawal from the Cologne zone.[2] It was also announced that

[1] *Cmd. 2429.*

[2] By increasing the strength of their forces in the other two zones, the Allies called forth remonstrances from Germany, as this measure in part would counteract the beneficial effects of the evacuation of the Cologne zone. The question was not yet settled at the close of the year.

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in the remaining two occupied zones the powers of the Allied Rhineland High Commission would be drastically curtailed, the number of Allied officials reduced, and civil administrative functions would be restored to the German civil authorities. As regards the third point, the Allies promised to abolish the Allied Commission of Military Control in Germany on February 1, 1926, and to transfer to the League the supervision of Germany's fulfilment of the disarmament provisions of the Versailles Treaty—on condition that Germany meanwhile carries out her promises regarding disarmament. Such a transfer will be of considerable significance, since it will give the League Council, in which Germany and neutral nations are represented, the right to decide in the future whether Germany is obeying the treaty stipulations and whether prolongation of military occupation beyond the dates set in the treaty is justified.

LIMITATION OF ARMAMENTS.—True to the principle that disarmament, security and arbitration must go hand in hand, the Fifth Assembly of the League (1924) in adopting the Protocol for the Pacific Settlement of International Disputes, had made the convocation of a general International Conference for the Reduction of Armaments, to be held at Geneva on June 15, contingent upon the ratification of the Protocol. When Great Britain, however, made it clear that the Protocol could not be adopted, the Council at its March meeting referred the question back to the League Assembly and postponed the work of preparation for the conference.[1] The Sixth Assembly, meeting in September, on the eve of the Locarno Conference (*q. v.*), but not content to leave the whole question in suspense, expressed its approval of the pre-Locarno security negotiations, reaffirmed its faith in "the sure method of arbitration, security and disarmament," and requested the Council to proceed with preparatory studies with a view to holding a Conference for the Reduction and Limitation of Armaments."[2] Accordingly, when the Council met again in December, it decided to appoint a Special Preparatory Commission which would meet on February 15, 1926 at Geneva to elaborate plans for a world conference on disarmament. Hoping to make this preparatory work genuinely representative, and particularly to enlist the cooperation of the United States, the Council invited, in addition to its own ten member states, Finland, Poland, Rumania, Yugoslavia, Netherlands and Bulgaria, and also three nations outside the League, namely, Germany, Russia, and the United States, to participate in this Preparatory Commission.

[1] L. N. *Official Journal,* April 1925, p. 461. The Council had previously created a Coordination Commission to prepare plans, see *Monthly Summary,* IV, no. 9, p. 202, which was superseded by the Preparatory Commission (*infra*).

[2] *Monthly Summary,* Sept. 1925, p. 209.

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In a sense, this action of the League might be interpreted as a reply to American suggestions that a new disarmament conference should be held in Washington, under American rather than League auspices. In the Naval Appropriation Act[1] Congress had requested the President to invite all nations with which the United States had diplomatic relations to a conference at Washington for the purpose of framing a "general international agreement" to limit "armaments for war." In his annual message on December 7, President Coolidge had said that although the United States, being already disarmed on land, regarded military disarmament as a question for Europe, nevertheless the United States would be eager to help, if invited to assist in negotiating such disarmament; furthermore, once disarmament on land were accomplished, the United States would be prepared to call another conference on naval disarmament. Less than a week later, a note from the League of Nations Council, dated December 12, invited the United States to participate in the above-mentioned Preparatory Commission, and at the same time, by insisting on the necessity of considering the disarmament problem in its entirety, politely discountenanced the dichotomy which President Coolidge had proposed. The President, nevertheless, appeared to be willing to accept the Council's invitation.[2]

The agenda[3] for the projected February meeting of the Preparatory Commission illustrate the complexity which the disarmament problem has assumed,[4] now that it is being attacked seriously.

On another phase of the armament problem, namely, the arms traffic, definite progress was made by the "Conference for the Control of the International Trade in Arms, Munitions, and Implements of War," popularly styled the **Arms Traffic Conference**, which was convened by the Council of the League of Nations, at Geneva, on May 4. Forty-four nations[5] were represented, including several nations outside the League (United States, Germany, Turkey, Egypt). The purpose was to find a substitute for the Convention of Saint-Germain, which the United States had refused to ratify. Before the conference adjourned, on June 17, it adopted a Convention on the arms traffic

[1] Public no. 398, 68th Congress.

[2] Early in January 1926 he asked Congress for an appropriation of $50,000 to pay the expenses of participation in the Preparatory Commission.

[3] The inclusion of naval armament, and of other factors than "visible armament", may be regarded as largely due to French insistence.

[4] Anyone who believes disarmament a simple proposition should consult the excellent "Select Annotated List of References on Disarmament" issued by the Library of the Carnegie Endowment for International Peace on Sept. 8, 1925.

[5] List in *Monthly Summary*, May 1925, p. 125. The Argentine Republic sent its delegates as "observers".

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which was signed immediately by 19 states [1] and will come into effect when ratified by fourteen. The Convention establishes a system of licenses or export certificates for all international shipments of arms which could be used in war, and requires the regular publication of statistical returns on such shipments. Publicity is also required for all international sales of warships and aircraft.[2]

The Arms Traffic Conference also drew up a Protocol recognizing that the use in war of asphyxiating, poisonous or other gases, and of all analogous liquids, has been condemned by civilized opinion, and agreeing to extend the condemnation to the use of bacteriological methods of warfare; and agreeing, further, to be bound as among themselves not to use such methods. The protocol becomes effective for each power when that power deposits its ratification, but it was hoped that other states would adhere to the declaration so as to make this condemnation a general principle of international law.

Certain countries felt that the Arms Traffic Convention, by restricting international trade in arms, would put non-producing states at a disadvantage, since the quantities of arms which they purchased would be publicly known, whereas producing countries would be subject to no such publicity. It seemed all the more necessary, therefore, to hasten the project of a convention regarding the control of the **private manufacture of arms.** The Sixth Assembly of the League accordingly requested the Council to continue the preparation of plans for an international conference on this subject, and to invite the United States to collaborate. The Council in December appointed a committee to prepare a draft convention, and also authorized the sending out of a questionnaire.

THE GRECO-BULGARIAN DISPUTE.—On October 19 one of those petty incidents which have so often, in the past, kindled international hatreds, occurred between Greece and Bulgaria. Not even the facts of the incident were clear. The Bulgarians claimed that at Demir-Kapu, on the Greco-Bulgarian frontier north of Salonika, a Greek sniper fired on several Bulgarian soldiers who were engaged in the innocent if not very gallant activity of washing their linen, and that the Bulgarians justifiably returned the shots, with deadly effect. The Greeks, on the contrary, asserted that the Bulgarians had suddenly opened fire and killed a Greek sentinel, and likewise a Greek captain carrying a flag of truce. Greece attempted to deal with the affair in

[1] Abyssinia, Brazil, British Empire, India, Chile, Esthonia, Finland, France, Hungary, Italy, Japan, Latvia, Luxemburg, Poland, Rumania, Salvador, Kingdom of Serbs, Croats and Slovenes, Spain, United States. The Protocol of Signature was also signed by Denmark, Germany, Greece, Netherlands, Nicaragua, Portugal, Switzerland, Turkey, Uruguay. Austria signed on July 24.

[2] Text of convention and other documents signed, in League of Nations, A. 16. 1925. IX. Proceedings of the conference, League of Nations, A. 13, 1925. IX.

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the time-honored fashion, by demanding apologies and an indemnity of six million drachma ($80,400), while the Greek army advanced on a twenty-mile front to invade Bulgaria, and Bulgarian offers of impartial investigation were brushed aside. War once more was beginning in the Balkans, the traditional danger zone of Europe.

But Bulgaria appealed by telegram to the League of Nations on October 23, invoking articles 10 and 11 of the Covenant. The League machinery for the preservation of peace was put into motion with remarkable celerity. Within four hours the Secretary-General of the League had arranged, by long distance telephone, for a meeting of the Council, and that same afternoon M. Briand as acting president of the Council sent telegrams warning Greece and Bulgaria not to violate the solemn obligations they had undertaken in the Covenant, and urging them to cease all hostilities. When the Council met, on October 26, in the historic Clock Room of the French Foreign Office, it asked whether Greece and Bulgaria had withdrawn their troops behind their respective frontiers. Bulgaria claimed she had never invaded Greece; Greece was willing to evacuate Bulgarian soil as soon as all Bulgarian troops retreated from Greece. At these unsatisfactory replies, the Council stiffened. Mr. Chamberlain said "it would be an intolerable thing—I will go so far as to say that it would be an affront to civilization," if the quarrel should lead to war rather than being submitted to peaceful settlement. The Council invited the Greek and Bulgarian governments to inform it within 24 hours that they had unconditionally ordered their troops to withdraw, and within 60 hours that all troops had been withdrawn behind their respective frontiers and all hostilities terminated. On October 28 both governments accepted the Council's "invitation"; on the 30th British, French and Italian officers, who had been dispatched to the spot, reported that the evacuation was completed and hostilities had ceased. The immediate peril of war was past.

It remained to decide the cause of the incident and the indemnity, if any, as well as to devise measures to prevent the recurrence of similar outbreaks. To this end the Council appointed a Commission[1] to investigate the affair. The Commission met at Geneva on November 6, proceeded to the scene of the incident, and concluded, in a report published December 3, that Greece had been responsible, and that the Greek Government should pay 10 million levas ($73,000) for reparation to the Bulgarian Government, and 20 million levas ($146,000) for injuries inflicted on Bulgarian civilians. On December 14 the Council of the League ordered payment of these sums within two months and recommended the establishment of frontier guards under

[1] One French officer, one Italian officer, a Swedish civilian and a Dutch civilian, under the chairmanship of Sir Horace Rumbold, British ambassador at Madrid, made up the commission.

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Swedish officers, the establishment of a Conciliation Commission, compensation of civilians who had been forced to emigrate, and the creation of facilities for speedy communication between the governments and Geneva in case of danger of war—all this to lessen the danger of future outbreaks. The Greek Government took its medicine with good grace by accepting this decision. The crisis had been weathered.

The firmness and the brilliant success of the League Council in dealing with this dispute may perhaps have been due in part to the fact that no Great Power was a party to the dispute, as in the Corfu crisis; but a reading of the proceedings of the Council will show that the members of that body were strongly moved by what Viscount Ishii called "the Geneva atmosphere" and by the "spirit of Locarno," for the Sixth Assembly of the League and the Locarno Conference were fresh in their minds, and both had increased not only their confidence in the League but also their willingness to cooperate in preventing war.

CODIFICATION OF INTERNATIONAL LAW.—On March 2 Secretary Hughes laid before the Governing Board of the Pan-American Union thirty projects of conventions concerning topics of the international law of peace, which had been prepared by the American Institute of International Law. Secretary Hughes himself emphasized the importance of the occasion by declaring, "We feel that, thanks to American initiative, we are on the threshold of accomplishment in the most important endeavor of the human race to lift itself out of the savagery of strife into the domain of law." One of the most interesting of the projects proclaimed the principle that "in the future territorial acquisitions obtained by means of war or under the menace of war or in presence of an armed force, to the detriment of any American Republic, shall not be lawful."[1]

A month later, in April, there was convened at Geneva the international committee of experts which had been appointed by the League Council in December, 1924 (last RECORD, p. 15) to propose topics which might be dealt with by international conventions, with a view to the development of international law. It was expected that on the basis of the reports of its subcommittees, and with the cooperation of the Institute of International Law, the American Institute of International Law, and similar organizations, the committee would prepare, early in 1926, a provisional list of subjects, to be submitted to the governments of the several nations, preliminary to the formulation of a final program.

INTERNATIONAL OPIUM AND DRUG CONFERENCES.—The two international Opium Conferences which met at Geneva in

[1] For text see *Codification of American International Law*, pub. by Pan-American Union, Washington, 1925.

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November, 1924 (see last RECORD, p. 19) continued their deliberation in January and February, 1925, surviving the storm which had been raised by the drastic American proposals to restrict the production of opium and other narcotics so stringently that there could be no surplus available for illegitimate use, that is, for other than medical or scientific purposes. Finding it impossible to win the other powers over to the American program without reservations, the United States delegation withdrew from the Second Opium Conference on February 6. Mr. Porter, chairman of the delegation, explained this action on the ground that since no agreement acceptable to the United States Senate could be adopted, it was better to leave the remaining members of the conference free to adopt a convention on which they could agree. China, on whom the other governments had shown some disposition to put most of the responsibility if not the blame for continuance of the illicit traffic, followed the United States in withdrawing from the Second, and also withdrew from the First Conference. Nevertheless the two conferences came to agreements which marked distinct progress, albeit they may not be ideal. The first adopted an Agreement strengthening chapter II of the 1912 Opium Convention by providing that the importation, manufacture and distribution of opium shall be made a state monopoly (with certain exceptions), by prohibiting the sale of opium to minors, and by various other measures. The crucial point was put in a "Protocol," which bound the nations with opium-consuming territories in the Far East [1] to take stronger measures for the complete suppression of opium smoking in fifteen years, *after* the poppy-growing countries (China, Persia, Turkey, etc.) have sufficiently checked smuggling of opium (this to be decided by a Commission appointed by the League of Nations).

This decision put the responsibility on the exporting countries and on the Second Conference, which was concerned with the limitation of production for export and manufacture. The Protocol adopted by the Second Conference met the situation by pledging the signatories to take such measures as may be required, within five years, to prevent the smuggling of opium from constituting a serious obstacle to the suppression of the use (smoking) of opium. In addition, a Convention was signed [2] providing for more effective internal control of the manufacture, import, sale, distribution, export and use of opium and other drugs,[3] and—perhaps more significantly—for a system

[1] The Agreement and Protocol were signed by the British Empire, France, India, Japan, Netherlands, Portugal, and Siam. Texts in L. N. *Official Journal*, May 1925, pp. 673-688.

[2] By 22 states.

[3] Cocaine and ecgonine, morphine, diacetylmorphine (heroin), extract and tincture of Indian hemp, and preparations containing morphine, cocaine, or heroin.

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of export and import certificates and for a Permanent Central Board. The Board is to consist of eight impartial experts appointed by the Council of the League of Nations (Germany and the United States each being invited to nominate one person to participate in these appointments) and is to receive and collect statistics regarding the production, manufacture, stocks, consumption, import and export of opium and other drugs. If the Board observes that stocks and accumulating in any country, or that any country is in danger of becoming a center of illicit drug traffic, the Board may ask that country for explanations, and failing adequate explanations, may notify the League Council and all the signatories and recommend that exports of drugs to the said country shall be temporarily stopped. Beside the Protocol and the Convention, the Second Conference adopted a Final Act which included (along with the customary formal paragraphs) a request to the League Council to examine Persia's helpful suggestion that a commission should visit opium-producing countries to study the difficulties connected with the limitation of opium production, and, by implication, recommend measures such as the substitution of other crops, to lessen the difficulties. Pursuing this suggestion, the Sixth Assembly of the League, in the autumn, requested the Council to send a commission to Persia.[1]

THE LEAGUE OF NATIONS.—The most significant feature of the League's career in the year 1925 was the expansion of international cooperation by means of **international conferences** held under the auspices of the League, such, for instance, as the Arms Traffic Conference (*q. v.*), the Opium Conferences (*q. v.*), the work of the international committee preparatory to conferences for the codification of international law (*cf.*, p. 20), the preliminary studies and negotiations for a general disarmament conference (*cf.*, p. 16), the planning of a conference on the manufacture of arms and munitions (*cf.*, p. 17). Another, and not less important, kind of cooperation is the work of numerous fact-finding, regulative, and advisory permanent **commissions and technical organizations** of the League[2] and the administrative and quasi-administrative agencies which are attached to the League.[3] There is little "news value" but perhaps much real significance for mankind in the meetings of the League's Malaria Commission, which has been studying malaria in various Mediterranean

[1] Text of Protocol, Convention, and Final Act in L. N. *Official Journal,* May 1925, pp. 689-732. On the whole subject of the Opium Conferences see the well-documented World Peace Foundation Pamphlet, vol. VIII, nos. 2-3, by Raymond Leslie Buell; also *Opium as an International Problem* by W. W. Willoughby (Johns Hopkins Press, 1925); and an article in *Amer. Jour. International Law,* 1925, pp. 559-568, by Quincy Wright.

[2] See list in *Monthly Summary,* Jan. 1925.

[3] See *Quarterly Bulletin on the Work of International Organisations.*

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countries and has begun to assist individual countries in organizing anti-malaria campaigns; or the London Conference of May 19-22 on the sleeping sickness, the plague of central Africa; or international interchanges of health officials and labor inspectors; or the standardization of insulin, digitalis and salvarsan; or the international investigation of the effect of milk consumption and other circumstances on the prevalence of tuberculosis; or the investigations regarding the health of emigrants, abuse of patent medicines, leprosy, measles, scarlet fever, cancer. These are but a few of the points on the far-flung battle line in the international war which the League is directing against man's microscopic enemies. One of the most striking events in this warfare, during the year, was the establishment by the League of a Far Eastern Epidemiological Office at Singapore, which now receives from most of the ports of the Far East and East Indies news of cholera and plague, and broadcasts weekly bulletins by radio (beginning April 4, 1925).[1] In addition to such enterprises, a number of new tasks for the League's Health Organization were suggested by various countries and referred to that body by the Sixth Assembly.[2]

The work of the **Economic and Financial Organization** of the League, like the health work, has become so widely ramified and so technical that only a few of the salient features can be mentioned here. The financial reconstruction of Austria, undertaken by the League in 1922, had proceeded so successfully, despite certain complaints which need not here be elaborated, that on the basis of a report by Mr. Layton and Professor Rist the Council in September decided on the gradual abolition of League control. The League control of Hungarian finances, begun in April, 1924, was so effective that within the first year the crown was stabilized, the budget balanced sooner than had been expected, wages increased, prices lowered, and bank deposits quadrupled. The committee of experts on taxation completed their draft of a project for an international agreement on tax evasion and double taxation; and the Council in September decided to submit the draft, which had previously been referred to the International Chamber of Commerce, to thirteen countries including Germany and the United States.

The French plan for an **International Institute of Intellectual Cooperation** (last RECORD, p. 19) became a reality in 1925, when the League's Committee on Intellectual Cooperation formulated the statute and regulations for the Institute, adopted a budget for it,

[1] The funds were provided by the Rockefeller Foundation; subsequently, however, several of the interested governments have offered to contribute to the work. The League had already established an epidemiological intelligence service covering Europe, North America, and parts of Asia and Africa.

[2] See *Monthly Summary*, Sept. 1925, pp. 216-217.

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and appointed M. Julien Luchaire director. On the Italian project for an **International Relief Union** (last RECORD, p. 18) progress was made by a Committee of Experts, which prepared a draft statute for the organization. But space does not permit further mention of such activities.

The **Sixth Assembly** of the League of Nations met at Geneva, September 7 to 26, with delegations present from 49 of the 55 members. The six absent members were all Latin-American states—Argentine, Bolivia, Costa Rica, Guatemala, Honduras, and Peru. Costa Rica, it may be noted, had informed the League on December 25, 1924, of its intention of withdrawing from membership; but had not yet done so, as two years' notice must be given. Twelve Latin-American states sent representatives. In opening the Assembly, Premier Painlevé of France observed that by sending the head of her government France wished solemnly to affirm her faith in the League's work. Austria and Norway also sent their premiers, and sixteen nations sent their foreign ministers as delegates either to the Assembly or to the Council. Mr. Raoul Dandurand of Canada was elected president of the Sixth Assembly. As usual the Assembly distributed its work among six major committees [1] and devoted most of its time (ten of its nineteen plenary sessions) to consideration and comment on the work of the Council and Secretariat during the past year.

Compared with the Fifth Assembly, which was made memorable by the formulation and adoption of the Geneva Protocol, the Sixth Assembly in 1925 was not particularly exciting. On the whole, it had a record of constructive but not spectacular achievements to survey, without much occasion for lively controversy. But if its significance be measured in terms of the projects which it planned or approved, the Sixth Assembly was one of the most important. As regards the **Protocol**, which had been rejected by Great Britain (*cf.*, pp. 3-4) and was practically certain not to be ratified, the Assembly's hands were tied by the fact that not much could be done about disarmament, security, or arbitration until the Locarno Conference, then impending, was held (in October, *cf.*, p. 6). Premier Painlevé remarked that the universality and "unbending logic" of the Protocol were framed to please the Latin love of logical procedure from abstract principles to details, whereas the Anglo-Saxon mentality preferred to proceed from concrete cases to generalizations; in plain English, the English preferred a Locarno pact or a number of them to a Protocol; but both Latin and Anglo-Saxon methods pointed to the same goal. Mr. Austen Chamberlain in a very interesting and characteristic

[1] Legal and Constitutional Questions, Technical Organizations, Reduction of Armaments, Budget and Financial Questions, Social and General Questions, Political Questions.

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speech admitted, or boasted, that the British mind did prefer limited agreements to universal principles. The different attitudes toward method, however, did not prevent the Assembly from expressing its approval of the pre-Locarno negotiations, pointing out that such agreements may be applied to the whole world, undertaking "again to work for the establishment of peace by the sure method of arbitration, security and disarmament" (the principles of the Protocol), requesting the Council to make preparatory arrangements for a **disarmament conference** (*cf.*, p. 16), and, by another resolution, urging members of the League to increase their own security by adopting particular conventions for the arbitration or judicial settlement of disputes.

Special emphasis should be given the Assembly resolution, embodying a French proposal, inviting the Council to create a Preparatory Committee which, with the assistance of the League's technical organizations and of the International Labor Office, will prepare agenda for an **International Economic Conference.** The mere statement, in the resolution, of the Assembly's conviction "that economic peace will largely contribute to security among the nations," suggests the importance of such an economic conference in view of present-day controversies over rubber, oil, and other raw materials, over tariffs, international debts, and international investments, over concessions and monopolies and unfair international business practices.

An **amendment to article 16 of the Covenant** was adopted by the Assembly, subject to ratification. The amendment strikes out the words "in such case" in the second paragraph of the article.

The re-election of Brazil, Uruguay, Czechoslovakia, Spain, Sweden and Belgium as the six **non-permanent members of the Council** for 1926 gave rise to a certain amount of dissatisfaction. Subsequently the Assembly resolved that the non-permanent members should be elected by application of the principle of rotation, as from 1926, and that due consideration should be shown for the main geographic divisions of the world, the great ethnical groups, the different religious traditions, the various types of civilization and the chief sources of wealth.

The **Council** of the League of Nations held five sessions, as follows: 33d session, Geneva, March 9-14; 34th, Geneva, June 8-11; 35th, Geneva, September 2-28, 36th, Paris, October 26-30; 37th, Geneva, December 7-16.

The most important **international disputes** dealt with by the League during the year were the Greco-Bulgarian frontier incident (*supra*, p. 18) and the Mosul boundary question (*infra*, Near East), which are described elsewhere. Both gave evidence of the increased confidence with which the League approached such questions.

The number of nations maintaining **permanent representatives or**

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secretariats at Geneva, in constant touch with the League, continued to grow rapidly. Twenty-three states [1] have taken this step.

In November the League Secretariat announced that over one thousand **treaties** and international engagements had been filed at Geneva, and of these 945 had been published, in the thirty-six volumes of the Treaty Series.[2]

THE WORLD COURT.—The Court held four sessions, lasting through the greater part of the year,[3] and delivered three advisory opinions (bringing the total up to twelve) and three judgments (total six). The Court's **fourth judgment**, given on March 26, was a refusal of the Greek request for an interpretation of a previous judgment (last RECORD, p. 21) regarding certain points in the Treaty of Neuilly, in respect of Bulgarian reparations; the Court held that the questions raised by Greece fell outside the scope of the previous judgment, and could not be dealt with by an interpretation of that judgment. The **fifth judgment**, rendered on March 26, concerned the Greek suit against Great Britain for £121,045 with interest in compensation for the British failure to respect the Mavrommatis concessions for certain public works in Jerusalem. The Court ruled that by giving M. Rutenberg the right to expropriate the Mavrommatis concessions, Great Britain had failed in respect of her international obligations, but that as the Mavrommatis concessions are now valid, and no loss had been proved, no indemnity need be paid. By the **sixth judgment**, given on August 25, the Court denied Poland's arguments against the Court's assumption of jurisdiction in the suit brought by Germany against the legality of Polish expropriation of German interests in Upper Silesia (notably a nitrate factory at Chorzow and the intended expropriation of certain large rural estates). The case will now be tried on its merits.

The advisory opinions dealt with rather more controversial issues. The **tenth advisory opinion**, delivered on February 21, settled an irritating dispute between Greece and Turkey regarding the exemption of Greeks "established" in Constantinople from the compulsory exchange of Greek and Turkish populations, under the Sixth Lausanne Convention. The Court upheld the Greek contention and ruled that Greeks should be regarded as "established" in the city if they had lived there before October 30, 1918 and had the intention of residing there for an extended period. The **eleventh opinion**, May 16, disposed

[1] Argentine Republic, Austria, Brazil, Bulgaria, Canada, Chile, China, Denmark, Finland, Greece, Hungary, Irish Free State, Japan, Latvia, Liberia, Lithuania, Nicaragua, Persia, Poland, Rumania, Serb Croat and Slovene State, Siam, Czechoslovakia.

[2] See also section on Near East (p. —).

[3] 6th (extraordinary session), Jan. 12–Mar. 26; 7th (extr.), April 14–May 16; 8th, June 15–Aug. 25; 9th (extr.), Oct. 22–Nov. 21; the next extraordinary session is to be held early in 1926.

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of the heated dispute which had arisen between Poland and the Free City of Danzig as to whether Poland had the right to set up Polish mail boxes and collect and deliver mail in the Port of Danzig. In this matter the Court upheld Poland's claims. The most important of all the cases dealt with by the Court was the **Mosul boundary dispute**. As Turkey had challenged the right of the League Council, under article 3, paragraph 2, of the Treaty of Lausanne, to decide the boundary between Iraq and Turkey except with Turkey's consent, the Council had asked the Court for an advisory opinion on the legal question of the Council's authority and procedure in the matter. The Court's **twelfth opinion**, delivered on November 21, was that by the Treaty of Lausanne the Council was intended to make a binding and definitive determination of the frontier, rather than to offer a mere recommendation, and that in making the decision the Council, in accordance with the Covenant, must act by unanimous vote, the votes of the representatives of the interested parties being taken but not counted (*cf. infra*, Near East).[1]

UNITED STATES AND THE WORLD COURT.—The Harding-Hughes-Coolidge proposals that the United States should adhere to the Permanent Court of International Justice continued to agitate both the general public and the national legislature throughout the year. A resolution (House Resolution 426) favoring membership in the Court was reported favorably on February 24 by the House Committee on Foreign Affairs (House Report No. 1569) with the approval of the House, March 3, by 301-28.[2] Senate Resolutions 5 and 6, favoring adhesion to the Court, were referred to the Senate Committee on Foreign Relations, March 5, but as no report was made, the Senate on March 13 agreed that on December 17 resolution no. 5 (the Swanson resolution) should be debated in open executive session. In his annual message in December, at the opening of the first session of the 69th Congress, President Coolidge again urged participation in the Court, upon the familiar four conditions, and, in addition the new reservation (5) "to the effect that we are not to be bound by advisory opinions rendered without our consent."[3]

[1] For further information on the Court see M. O. Hudson, *The Permanent Court of International Justice* (Harvard University Press, 1925); A. S. de Bustamente y Sirven (a Judge of the Court), *La Cour Permanente de Justice Internationale* (Paris, 1925); A. P. Fachiri, *The Permanent Court of International Justice* (Oxford University Press, 1925); the first *Annual Report* (1925, Series E.—No. 1) of the Court; and Hudson, "The Fourth Year of the Permanent Court," *Amer. Jour. Int. Law.*, XX, no. 1.

[2] *Congressional Record*, March 3, p. 5413.

[3] See an admirable discussion of the advisory opinions by Professor Hudson in a brochure published by the Carnegie Endowment, *International Conciliation*, no. 214, Nov. 1925.

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By adopting the Swanson resolution with modifications, on January 27, 1926, the Senate consented to the adherence of the United States to the Court.[1]

INTERNATIONAL LABOR ORGANIZATION. — The seventh session of the International Labor Conference was held at Geneva from May 19 to June 10. The Conference formulated a series of draft conventions for the purpose of establishing international agreement

[1] In their final form, the modified reservations were:

1. That such adherence shall not be taken to involve any legal relation on the part of the United States to the League of Nations or the assumption of any obligations by the United States under the treaty of Versailles.

2. That the United States shall be permitted to participate through representatives designated for the purpose and upon an equality with the other states, members, respectively, of the council and assembly of the League of Nations, in any and all proceedings of either the council or the assembly for the election of judges or deputy judges of the Permanent Court of International Justice or for the filling of vacancies.

3. That the United States will pay a fair share of the expenses of the court as determined and appropriated from time to time by the Congress of the United States.

4. That the United States may at any time withdraw its adherence to the said protocol and that the statute for the Permanent Court of International Justice adjoined to the protocol shall not be amended without the consent of the United States.

5. That the court shall not render any advisory opinion except publicly after due notice to all States adhering to the court and to all interested States and after public hearing or opportunity for hearing given to any State concerned; nor shall it, without the consent of the United States, entertain any request for an advisory opinion touching any dispute or question in which the United States has or claims an interest.

The signature of the United States to the said protocol shall not be affixed until the powers signatory to such protocol shall have indicated, through an exchange of notes, their acceptance of the foregoing reservations and understandings as a part and a condition of adherence by the United States to the said protocol.

Resolved further, As a part of this act of ratification that the United States approve the protocol and statute hereinabove mentioned, with the understanding that recourse to the Permanent Court of International Justice for the settlement of differences between the United States and any other State or States can be had only by agreement thereto through general or special treaties concluded between the parties in dispute; and

Resolved further, That adherence to the said protocol and statute hereby approved shall not be so construed as to require the United States to depart from its traditional policy of not intruding upon, interfering with, or entangling itself in the political questions of policy or internal administration of any foreign State; nor shall adherence to the said protocol and statute be construed to imply a relinquishment by the United States of its traditional attitude toward purely American questions.

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regarding various aspects of workingmen's compensation for accidents and occupational diseases, and a draft convention regarding night work in bakeries.[1]

II. INTERNATIONAL FINANCE

The outstanding events of the past year in the field of international governmental and private finance have been four in number: (1) the completion of arrangements for payment of the larger part of the hitherto unsettled debts due the United States government; (2) the restoration of the gold standard in Great Britain; (3) the successful execution of the first year of the Dawes plan provisions, and (4) the continued flow of American capital abroad. These events, especially the first three, are of great significance; taken in the aggregate, they mean that during the last twelve months the world as a whole has definitely entered on the long-deferred process of economic recovery after the cataclysms of the war and post-war periods. In some countries, indeed, the process is almost completed, but the picture is by no means encouraging in every direction. The national finances of France are still in lamentably bad shape, and the French currency, instead of showing steady improvement or at least stability, is once more depreciating. Certain other countries, similarly, are far from having regained a healthy economic life. Poland especially has encountered new difficulties.

THE SETTLEMENT OF DEBTS DUE THE AMERICAN GOVERNMENT.—The settlement of debts due the American government proceeded rapidly, especially during the last few months of the year. The largest single debt, that owed by England, had been settled in 1923.[2] Towards the end of 1924 an agreement was also made with Poland for the funding of the Polish post-Armistice debt of $178,000,000; and with Finland ($9,000,000) and Hungary ($1,900,000). Then in August of 1925 a flood of new negotiations and settlements began. The agreements made from August to the end of the year cover principal sums amounting to over $3,000,000,000. The payments stipulated under these agreements, together with the ones already arranged for, entitle the American government to receive about $180,000,000 a year until 1933. The amount then gradually increases, so that by 1940 we shall be getting over $260,000,000 a year. These payments continue until 1984, when they decline rapidly and soon cease.

[1] See *International Labor Organization Bulletin*, July 20, 1925, supplement.

[2] The principal sum agreed on was $4,600,000,000, practically the face value of the debt. Interest payments are to be made at the rate of 3% through 1932, and thereafter at 3½%. The total payments, including principal, will average about $160,000,000 annually through 1932, and thereafter a little over $180,000,000. See the Bankers Trust Company publication, *The Inter-Ally Debts* (New York, 1924), pp. 257-260, 351.

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In addition, we shall receive 2¼% of the Dawes plan annuities, but not over $10,750,000 a year, and $13,050,000 more from 1927 to 1945 to cover costs of the army of occupation. The only large debt now due our government from abroad for which no settlement has yet been made is that owed by France.

The first big settlement of the present year was that concluded with Belgium on August 18. The total of the debt, plus accrued interest, was fixed at $417,780,000. The debt itself, however, is made up of two parts, which were treated separately. The post-Armistice debt of $246,000,000 is to be paid over sixty-two years, with an interest rate of 3½%. In recognition of the disturbed economic condition of Belgium at the present time, the payments in the first ten years are to be small. The pre-Armistice debt is similarly to be paid over sixty-two years, but is to bear no interest. This last arrangement was the result of a compromise. At the Versailles conference, in 1919, President Wilson had agreed to substitute Germany as the debtor with respect to Belgium's obligations, and Belgium now sought to have her debt paid by Germany under the Dawes plan machinery. The American negotiators refused to accede to this, pointing out that the United States had never ratified the Versailles arrangements. They admitted, however, that there was a measure of justice in the Belgian claims, and that Belgium was in a peculiar position. They therefore agreed to the cancellation of interest payments as a compromise. This proved acceptable.

The next set of negotiations, the most important since the settlement with England two years before, were those with France. They continued from September 24 to October 3, only to be abandoned when it became clear that an agreement was impossible. The negotiators consisted of the French Debt Commission, headed by Joseph Caillaux, and the American World War Debt Commission. The first French offer was to pay $25,000,000 a year for the first five years, and then to increase the payments until they should reach $80,000,000 or even $90,000,000 annually at the end of twenty years. The total period covered by the payments was to be sixty-two years, and the total sum paid $4,200,000,000. This last figure is substantially equal to the principal of the original debt, plus accrued interest, at the present time. The offer was at once rejected by the American commissioners as being entirely inadequate. The Americans then made a counter proposal, suggesting terms similar to those granted Great Britain. The total payments to be made under this proposal would have amounted to over $10,000,000,000, but would have been small in the first five years. Caillaux replied that this total was far greater than France could contemplate.[1] He reaffirmed the views he had

[1] At the full rate, under the terms offered England, the annual payments by France would have come to over $160,000,000.

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presented in May, and insisted that French capacity to pay was the only factor which could be considered.

These preliminary skirmishes served to clear the air, and negotiations then began in earnest. One difficulty appeared immediately. This was the French desire to link up the debt payments with Reparations receipts from Germany, and to stipulate that the whole question should be reopened if the German annuities failed. As in similar dealings with other countries, however, the American commissioners refused to accept this "safeguard" proviso, and for the time being it was dropped. Then on September 30 Caillaux increased the French offer by nearly half. He proposed a total payment of $6,200,000,000, to be made over sixty-seven or sixty-eight years. The annual payments were to be $40,000,000 in the first five years, $60,000,000 for the next seven years, and thereafter $100,000,000. After conferring with President Coolidge, the American commissioners rejected this proposal too. They offered, however, to accept $40,000,000 a year for five years, as interest in full on the present principal and accrued interest of the debt. At the end of that time the debt question was to be subject to new negotiations. They also offered to include in the suggested sum the $20,000,000 of interest now being paid each year for surplus war material purchased from the American government.

This offer was undoubtedly generous, but Caillaux refused to accept it on the formal ground that he had not been authorized to conclude a merely temporary arrangement. The negotiations were then abandoned, and on October 3 Caillaux sailed for France. The American press evinced great disappointment at the failure, but remained friendly to France. The French press, on the other hand, had been hostile to the United States before and during the negotiations. It had largely surrendered, at least for the time being, the thesis that the debts are political rather than financial in character; but it vehemently insisted that the probable American demands were out of all proportion to French capacity. Nevertheless it adopted a much more moderate tone when the actual results of the discussions were learned. Within a few days of Caillaux's return, however, the French Cabinet rejected the temporary Washington offer. The resignation of the Painlevé ministry, and the formation of a new one of which Caillaux was not a member, further delayed any progress toward a settlement.

During and immediately after the negotiations with France, settlements were successfully carried through with six other countries. In four cases, the terms adopted were substantially like those granted Great Britain. Payments were to be made over sixty-two years, at a rate of 3% through 1934 and thereafter at 3½%. On this basis agreements were concluded with Latvia, for a principal of $5,775,000; Czechoslovakia, $115,000,000; Esthonia, $13,500,000; and Rumania,

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$45,000,000. Somewhat different terms were made, however, with Lithuania and with Italy. In the first case, $6,000,000 of Lithuanian bonds were accepted as final payment of all that country's obligations. In the second case a still different procedure was followed. The Italian Debt Commission to the United States, headed by Count Volpi, concluded on November 14 much the most lenient settlement that has thus far been made. The principal sum was fixed at $2,042,000,000,[1] of which $199,466 was to be paid at once. The remainder is to be funded at specified rates of interest sufficient to bring the total payments at the end of sixty-two years to $2,407,000,000.[2] The annual payments are fixed in a graduated scale. They begin at $5,000,000 annually for the first five years, with no interest being paid at all. Thereafter interest charges begin, starting at ⅛% and rising to a maximum of 2%. Count Volpi surprised the American commissioners by tendering on the spot a check for the first annual installment of $5,000,000.

These numerous settlements and negotiations, the results of most of which have still to be confirmed by the governments concerned, have inevitably evoked a great deal of comment both at home and abroad. The foreign press has been quick to point out the apparent extreme disparity between the terms granted all other countries and the generous arrangement made with Italy. Within the United States itself this disparity has similarly been criticized, while certain political leaders have objected strenuously to the whole attitude of concession which has characterized the actions of the American government. In consequence the American Secretary of State, Mr. Kellogg, has felt it necessary to explain and defend the government's position. At a dinner of the Council on Foreign Relations, held in New York on December 14, he demonstrated the extreme moderation and leniency of the settlements actually made, in comparison with the claims we are legally entitled to press; and declared that foreign newspaper criticisms were entirely unjustified. He said that the main basis of procedure has been the capacity of the debtor countries to pay, determined as impartially as possible, and that this capacity has governed the specific terms granted in each particular case.

It may further be pointed out that the United States has conceded little or nothing with regard to the nominal principal and accrued interest of the debts. The principal sums have not been scaled down. But the same effect has been secured by reducing the interest charges required, relative to the rates being paid on Liberty bonds. This reduction in rates amounts in most cases to about 15%, and in the case of Italy to nearly 60%. Over a period of sixty-two years, this is

[1] Substantially the present total of the nominal principal and accrued interest.

[2] Had the terms been the same as those made with Great Britain, this total of payments would have been $4,900,000,000.

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equivalent to a reduction in the *total* charges arising from the debts of about 11% in the majority of cases, and in the case of Italy of over 40%. The *average* effective reduction on the nominal aggregate of the payments thus far arranged for comes to nearly 20%.

THE SETTLEMENT OF DEBTS DUE TO OTHER GOVERNMENTS.—The settlement of the debts due other governments has also begun on an important scale, although comparatively few arrangements have yet been completed. During the first part of the year France started negotiations with England, but they were broken off because of the unsatisfactory character of the French proposals. On August 24, however, they were renewed, with Winston Churchill and Joseph Caillaux as the negotiators. A provisional agreement was reached on August 26. England undertook to accept £633,000,000 ($3,100,000,000) in settlement of the French debt. This sum is to be payable at the rate of £12,500,000 ($61,000,000) a year for sixty-two years. The payments are made a direct charge on the French Treasury, independently of Reparations receipts. If France gets less favorable terms than these from the United States, then her payments to England are to be increased to correspond. This last clause produced a good deal of adverse comment in all of the countries concerned, but it was later unofficially denied that England was seeking to put pressure on the United States in regard to the forthcoming negotiations with France.

At about the same time Latvia settled her small obligation to England; and Greece authorized the opening of negotiations for the settlement of her debts to England and France, but conditional on the terms of the general Inter-Ally arrangements. In October, Czechoslovakia agreed to pay England £80,000 at once, and £900,000 in ten annual payments. Finally, Rumania made a tentative arrangement for the payment of £26,000,000 to England over forty years, and is opening similar negotiations in Paris and Rome.

THE DAWES PLAN.—The Dawes plan has now been in operation for over a year. The machinery set up has worked extraordinarily well, in the main, and no major difficulties have as yet arisen. Under its provisions Germany has kept up the specified schedule of payments, and despite certain unfavorable conditions the country is well launched on a period of economic recovery and prosperity. From the beginning it seemed unlikely that Germany would default on her obligations, and by January, 1925 she was already 22,000,000 gold marks ahead of the schedule of payments. The report of Mr. S. Parker Gilbert, the Agent General for Reparations Payments, for the first year of the operation of the plan shows that the two essential preliminary objectives have been realized. The plan has in effect brought about the balancing of the German budget, and the definitive stabilization of the German currency. Moreover, it has made it pos-

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sible to determine by actual experience the amounts that can safely be paid and transferred.

The allotments to the Allies for the first full year, September 1, 1924, to August 31, 1925, totalled 894,922,000 gold marks ($214,781,300). The percentages received by the principal Allies were as follows: France, 51%; Britain, 21%; Belgium, 13%; Italy, 7.4%. The United States (see below) received 1.7%. Four-fifths of the allotments were derived from the proceeds of German external loans, and one-fifth from German railway earnings. All payments were made in kind, except in the case of cash turned over to the Allied armies of occupation for their expenses in Germany. The payments in kind took the form, in largest part, of coal, coke and lignite.

Mr. Gilbert finds these results encouraging, but at the same time he warns against undue optimism. The Reich budget for 1925-1926 showed a deficit of 136,000,000 gold marks, which will have to be met by increased taxes on tobacco and beer; and the financial relations of the Reich, the states and the local governments are still open to severe criticism.[1] Nevertheless the monetary difficulties of Germany, barring some great and unexpected catastrophe, are definitely over. The way is now at last open for the return of prosperity not only in Germany, but also in the network of Central European countries economically dependent upon her welfare.

From the point of view of the United States, the most significant recent event in connection with the Dawes plan is the agreement signed at Paris on January 14, 1925, by a conference of finance ministers called to determine the apportionment of the Dawes plan receipts. Under this agreement the United States is to get 2¼% of the Reparations payments to cover war damage awards, but not over $10,750,000 a year. In addition we shall get $13,050,000 a year, until $240,000,000 is paid, to cover the costs of the American army of occupation in Germany. These arrangements were greeted with marked pleasure by European statesmen and the European press. They make the United States one of the contracting parties to the Dawes plan, and cause us to share interest and responsibility both in it and in the general Reparations question. Indeed, the American delegates signed the whole agreement, not only those clauses relating to the claims of the United States but also those relating to the apportionment of the Reparations receipts to the other Allies under the terms of the Treaty of Versailles. The American government insisted that this left the United States as free from "entangling alliances" as before, but a good many protests were evoked. The protests appeared not only in the Senate, where they became a part of more general sentiment against the League of Nations, but also in the newspapers of the country at large. (See last RECORD, p. 34 note.)

[1] See the Agent General's report for the first eight months of the operation of the plan, dated May 30, 1925: pp. 35-38.

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THE RESTORATION OF THE GOLD STANDARD IN GREAT BRITAIN.—The effective restoration of the gold standard in Great Britain was accomplished on April 28, 1925.[1] During the latter part of 1924 the sterling exchanges had improved steadily, and on January 5, 1925, the quotation on New York rose above 4.76 for the first time since 1915. In February it was within 1.3% of par, and continued to rise, so that the official restoration of the gold standard at the end of April caused no disturbance in the world markets. The restoration itself was achieved very simply, without special legislative enactment. The Chancellor of the Exchequer merely announced, on April 28, that the law of 1920 prohibiting gold exports for five years except under special license would be permitted to lapse on December 31; and that for the rest of the year the Bank of England would have a general license to export gold. England was thus once more made a free gold market for international purposes, and the gold standard, never formally abandoned, was thereby re-established. But certain essential safeguards were set up, to prevent a dissipation of the gold reserves into internal circulation and to forestall immediate danger from exchange speculation. These safeguards were in the main embodied in the Gold Standard Act of May 13.

First, it was declared that the use of gold in domestic circulation is not necessary to the operation of an *international* gold standard. The Bank of England was therefore relieved of the obligation to redeem its own notes, and also currency notes, in gold coin. At the same time the Mint was relieved of the obligation to coin gold, except when it is presented by the Bank. But the Bank must always sell *gold bars* on demand, in units of about £1,700 ($8,300) and at the usual Mint price (£3 17*s.* 10½*d.* per oz.). In this way the Bank is protected from a demand for gold coin to be used in internal circulation, but is required to meet all demands for bullion to be used for exportation. It must also purchase at a fixed price all gold offered to it, as under the Act of 1844. Secondly, an issue of short-term securities was authorized, to support the exchanges against speculative pressure. Finally, excessive foreign lending was discouraged. This virtual embargo, however, was removed on November 3.

These measures were almost immediately supplemented by the establishment of two American credits, totalling $300,000,000, which were protected by the short-term securities just referred to. One, of $100,000,000, was set up by the British government itself with J. P. Morgan and Co. The other, of $200,000,000, was procured by the Bank of England from the Federal Reserve Bank of New York in participation with other Federal Reserve Banks. Under the latter arrangement the Federal Reserve Bank of New York will sell gold on credit

[1] See the detailed analysis in the *Federal Reserve Bulletin* for June, 1925, which also reprints the critical reports and legislation.

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to the Bank of England when and as desired, but more than $200,000,000 cannot be outstanding at any one time. On purchasing such gold the Bank of England will place an equivalent deposit in pounds sterling to the credit of the Federal Reserve Bank on its books. This sum, if desired, may then be used in purchasing sterling commercial bills in England, guaranteed by the Bank of England.[1] By this ingenious and elastic arrangement, the Bank gets a free hand in the control both of the exchange market and of its own position. It can meet a foreign demand for gold by drawing the gold from New York, without impairing its own reserves; or it can replenish its reserves by taking gold from New York (or by earmarking it there). The exchanges, similarly, can be supported by the purchase of sterling bills either in London or in New York or abroad; or by sending gold to foreign countries on British account.

There is one further essential feature of the plan, however, which must not be lost from sight. The Bank of England is required, with respect to its own monetary and financial policy, to treat the actual use of these foreign credits as a corresponding loss from its own reserves. In other words, use of the credits on any important scale will induce a contraction of the Bank's circulation and credit structure, precisely as though gold had been taken from its own coffers—even though these holdings are in point of fact unimpaired. In this way the resort to foreign borrowing will be made to exert a positive corrective influence on the domestic situation, instead of serving merely, as has happened so frequently in the recent financial history of other countries, to aggravate the difficulty. But it was expected that the foreign credits would be employed only after the gold reserves held in England had been seriously depleted. That is, it was intended that the reserves should be used courageously for the purposes for which they had been accumulated, and that the foreign credits should be treated only as a second line of defense. This seems to be substantially what has happened, especially in the last months of the year.

In the first few months after the restoration everything went well. Prices, which had been a little above the American level in April (on a base of 1913 = 100) fell somewhat, and by June were below those in the United States. The total note circulation also declined somewhat. And until the end of August the movement of gold, always a significant barometer, was very strongly *toward* London, not away, although this was due in part to the attraction of funds by high interest rates and ready convertibility. Indeed, in August the rate of discount at the Bank of England was cut from 5% to 4½%, and on October 1 to

[1] The interest earned by these bills will be deducted from the interest paid by the Bank of England to the Federal Reserve Bank. The latter charges are made dependent on the relation between current rates of rediscount at the two banks.

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4%. Sterling exchange on New York had reached a high point of 4.86¼ in May, and had then held steady for a number of months. In the late fall, however, the usual seasonal pressure began to create difficulties. England imports very heavily in the summer and fall months, especially North American wheat and cotton, and the subsequent necessity of making payments characteristically puts a severe strain on the foreign exchanges. In September the exchanges therefore began to fall, and the net movement of gold was slightly *away* from London. In October the decline of the exchanges continued, and the outward movement of gold became very heavy. Over $41,000,000 of gold was exported to New York in that month,[1] and the exports continued in nearly the same volume through November.[2] There were also large remittances during the fall to the Dutch East Indies, in payment for tobacco and rubber imports. The net result was the creation of a general stringency in the London money markets, and on December 3 the raising of the Bank rate in London to the old level of 5%. The position was in no sense critical, but it called for careful and courageous action. It seems clear that the lowering of the Bank rate earlier in the fall was premature, so far as the immediate mechanics of the situation were concerned. The Bank may, however, have been feeling out the market to discover how firmly the strength of the pound had been established.

OTHER FOREIGN EXCHANGES. — The foreign exchanges of other countries have in the main been kept stable during the year. The Danish exchanges have risen from 65% of par at the beginning of the year to within two points of par, and the Norwegian exchanges have made a recovery about half as great. These movements, popularly attributed to speculative operations, seem rather to have been the consequence of somewhat unskillful attempts to remit the proceeds of certain loans floated in the United States by the governments concerned. The rise was especially noticeable in August and September. Some of the South American exchanges have also improved, notably those of Brazil, Chile and Uruguay. Moreover, the restoration of the gold standard in England gave the signal for similar action in Australia, New Zealand, the Netherlands and the Dutch East Indies, while in June South Africa removed the last of its restrictions on

[1] $22,000,000 of the New York imports in October were re-exported to Canada, presumably on account of Canadian wheat exports during the summer. In the first nine months of the year, to September 30, the movement of gold was *away* from the United States. The net export amounted to $154,000,000. There was also a net export of $26,000,000 of silver.

[2] The total loss of gold by the Bank of England from the beginning of August to the beginning of December amounted to $91,700,000. This put its reserves nearly $50,000,000 below the figure reported when gold payments were resumed in April.

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gold exports. Taking the world as a whole, the year has thus been marked by the establishment of stable monetary and foreign exchange conditions over the larger part of the world for the first time since 1914. Many countries are now on a gold standard, and most of the rest are maintaining substantial stability at a devalued rate. Of the latter situation the Italian exchanges provide the most important example. The lira has been kept for over a year at or around a rate of 4.00 (par is 19.3), although not without difficulty.[1] This restoration of the gold standard, or of currencies which are stabilized relative to gold, over so wide an area is of the greatest importance. It will limit the fluctuations of the exchanges themselves, will once more relate the gold holdings of the central banks to credit conditions at home and abroad (thus making changes in their reserve positions an important factor in their credit policies), and with respect to the United States will remove the abnormal influence at present exerted by gold movements upon the position of the Reserve banks. The movements will now be controlled increasingly by the traditional influences which regulate the flow of gold under normal conditions.

To the optimistic character of this general situation there are, however, two important exceptions. One is Poland. The Polish zloty has fallen during the year from par (19.3) to 10.5, a depreciation of over 45%. But there is every hope that this situation will be temporary. It arose in the first instance from the necessity under which Poland found herself to make very heavy purchases abroad. The subsequent attempt to effect foreign payments drained out a large part of the country's bank reserves; and this drain, by compelling a severe contraction of currency and credit, brought on a general business collapse and stagnation. The collapse could of course have been avoided for a time by inflation, but that remedy, it requires no proof, is worse than the disease. The other exception is France. The franc has lost substantially 30% of its value in the last twelve months, and is now quoted (December) around 3.80, par being 19.3. This fall is a direct reflection of the continuance of financial and budgetary disorder in the country. Despite a series of frenzied efforts, the politicians have beeen unable to agree on a scheme for balancing the budget. In consequence, it has been necessary to resort to gradual but steady new inflation,[2] which has been inexorably ac-

[1] On June 2 the Italian Finance Ministry announced the granting of a credit of $50,000,000 by a group of American banks, to be used for exchange stabilization; and on August 25 the Italian Cabinet formally adopted a policy of surveillance over the exchange market. It asked for a restriction of purchases abroad and for the cessation of speculation, and forbade certain types of transactions outright.

[2] From September, 1924, to September, 1925, the reported note circulation of the Bank of France increased 12%, and its reported advances to the government 20%.

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companied by a parallel decline in the foreign exchanges. The failure of the debt negotiations with the United States accelerated this fall momentarily, as did the rejection in December of M. Loucheur's projects for financial reconstruction. At one time in December the franc went as low as 3.63, a decline of 35% from the high of the previous December, but it subsequently recovered somewhat. The Belgian franc, which is closely tied with the French, has also fallen, but very much less. Its decline for the year is about 10%. It has been supported by short-time credits and by arrangements for the purchase of Belgian commercial bills in New York.

FOREIGN BORROWING IN THE UNITED STATES.—The extraordinary foreign borrowing in the United States has continued in undiminished volume. Complete figures are not yet available, but the indications are that the total of new and refunding loans for the year will be about $1,325,000,000 at par values, a little more than last year.[1] Moreover, the percentage of refunding operations is much lower than last year,[2] so that the volume of *new* investments will be larger—probably about $1,100,000,000. Of the total volume of securities floated, 62½% were government issues, central, state and municipal; and 37½% were private issues. The distribution by important countries and groups of countries was as follows, in million dollars:[3]

Country or region	*Government*	*Private*	*Total*
Germany	97.2	136.1	233.3
Other European	313.6 *	63.3	376.9
Canada	149.6	111.0	260.6
Central America	6.3	17.9	24.2
South America	147.3	51.5	198.8
Far East and Oceania	81.4	81.5	162.9
Totals	795.4	481.3	1276.7

* Includes $100,000,000 to the Italian government and $50,000,000 to the Belgian.

These figures, however, by no means give a complete picture of the export of capital from the United States. They reflect only the purchase of new *securities*, usually of long term. They give no indication of the extent of foreign short-time borrowing, nor of direct American purchases of foreign property not involving the public

[1] The figures for 1925 are taken from the record kept by the Federal Reserve Bank of New York. The sums actually transferred abroad will be distinctly smaller, because most of the loans were issued below par and because of commission charges. The deductions to be made on these accounts in 1924 amounted to nearly 10%. (Figures through December 18 only.)

[2] Under 20%, as compared with nearly 30% for 1924.

[3] For the period from January 1 to December 18, 1925.

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offering of securities; nor of the acquisition of foreign securities already outstanding. The size of these operations is almost entirely a matter of estimate, but it is probably large enough to increase the total figures by several hundred millions of dollars.

The significance of this exportation of capital lies not only in its huge volume, but also in the purposes for which it will be used. Practically half of it—over $600,000,000—has gone to Europe alone. Of this sum about a third will be employed to provide European industry with equipment and working capital, to finish the task of repairing the gaps left by the war and to permit new expansion. The other two-thirds is designed to establish the financial stability and strength of various European governments, central and local; to restore their currencies and balance their budgets. In a very real sense, the American dollar is thus becoming the mainstay of European finance, both private and public. Our investments elsewhere, however, are of a less unusual character. They reflect the steady expansion of American industry and finance into the comparatively undeveloped parts of the world, and unlike the investments in Europe will probably continue over a long period of years.

III. UNITED STATES

POLITICAL PARTIES AND ELECTIONS.—Organization in the major parties, although already pointed toward the Congressional elections, presented few developments during 1925. A suggestion that the Democrats convene a national conference on underlying questions of party policy (interesting in view of the fact that party machinery in the United States, for all its tremendous elaboration, makes practically no provision for an integration between campaigns, with consequences especially embarrassing to minority leadership) excited comment but brought no tangible results. The problem of the immediate future of the so-called **progressive movement** came to a head at conventions in Chicago, February 20 to 23. It had been agreed when LaFollette's candidacy was endorsed by the Conference for Progressive Political Action in 1924 that the question of a new party should be dealt with at a special convention in 1925. The chiefs or spokesmen of the sixteen standard railroad organizations, caucusing on February 20, agreed that further steps toward an independent party would be inopportune; the sole dissenter was W. H. Johnston, President of the International Association of Machinists and Chairman of the Conference for Progressive Political Action, who said he spoke as an individual. Three elements were outstanding among the approximately 300 delegates in the convention convened on February 21 under the auspices of the **Conference for Progressive Political Action**: the contingent from the railroad organizations; the representatives

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of the Socialist Party and of the textile unions; and the spokesmen of various state branches and state parties. The first of these elements dropped out when, after a day's fruitless discussion, it was amicably agreed "that this Conference for Progressive Political Action adjourn *sine die* in order to give all those delegates who favor the formation of a third party an opportunity to reconvene in separate convention." On February 22, by a vote of 93 to 64, those who participated in the spontaneous, nameless convention accepted the majority report of a committee on policy, providing "that the party shall consist of state organizations constituted on geographical lines in conformity with the election laws of the different states. Such state organizations shall be autonomous and shall be formed on such lines as the states respectively shall determine."[1] No national name was assumed; no platform was formulated apart from the endorsement of Senator LaFollette's Progressive declaration of 1924. It was decided "that in a national convention hereafter to be called, the delegates from the several states be proportioned to the aggregate number of votes cast under all party designations for the Independent Progressive candidate for the Presidency in the last election."

Outvoted on the superficially slight but revealing question of the recognition of group federation, the **Socialist Party** terminated its three years' experimentation with the attempt to find and to merge itself in an inclusive labor party. On February 23 the special Socialist convention voted unanimously to withdraw from the Conference for Progressive Political Action, to disregard the plans of the convention on February 22, and to go it alone, although with a guarded provision permitting cooperation by its state branches with local labor parties.

The politics of protest thus emerged from the immediate aftermath of 1924 with the American Federation of Labor insistent upon its traditional policy,[2] with the Conference for Progressive Political

[1] The minority plan, espoused by the Socialists, would have expressly injected the idea of building through the federation of groups, as against the organization merely of individuals, by adding the proviso that "the national committee and all state and local committees may also admit direct affiliation of organizations of workers and farmers and of progressive political and educational groups who fully accept its program and principles".

[2] The Executive Council of the American Federation of Labor at its meeting August 2, voted in favor of "a strenuous non-partisan political campaign" in 1926, adding that "the launching of third party movements has been proven wasted effort, and injurious to the desire to elect candidates with favorable records. The 1922 and 1924 political campaigns definitely determined this fact." The annual convention in Atlantic City on October 15 endorsed this position. President Green was quoted as saying, "There may be a time when we in America can organize an independent political party, but we will have to change from an agricultural into a semi-industrial country before we can make a success along that line."

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Action weakened but still available for its slightly different type of non-partisan leverage, with an unnamed, decentralized third party movement projected but dependent upon scattered developments taking place slowly in the states, and with the Socialist Party again in isolation, repudiating middle-class liberalism on the one hand, and on the other, communism as represented in the Worker's Party.[1]

National elections in 1925 were confined to the filling of vacancies in Congress caused by death. The localism that characterizes Congressional politics under a presidential system was illustrated in the relative lack of interest in the six **by-elections to the House of Representatives**. Two widows (Mrs. Kahn and Mrs. Rogers) and a son (Mr. Appleby) were among those elected. The vote at the special elections was moderate, compared with that cast for all Congressional candidates in the same districts in 1924: 47.4% in the 4th California district (in San Francisco) on February 16; 47.2% in the 5th of Massachusetts on June 30; 33.8% in the 3rd of Michigan on August 18; and only 30.3% in the 2nd Massachusetts district on September 29; but in Kentucky and New Jersey where the special elections coincided with the general election, the vote was 83.0% and 90.5%. Party control was not changed. There was little evidence of drift in either direction.[2]

Of the four vacancies that developed in the **Senate**, three were filled by appointment, at the cost of a loss of one seat (Indiana) by the Democrats.[3] The continued power of the LaFollette organization in

[1] The national convention of the Worker's Party, held during the last week in August, was based upon a membership of 16,000, distributed in seventeen foreign language federations, with perhaps 1,500 English-speaking members. For the detailed programs, etc. of the labor and radical groups, see the *American Labor Year Book*, vol. VI.

[2] *Dist.*	*Date*	*Elected*	*Replacing*	*Repub. vote as % of total*	
				1925	*1924*
Cal. 4	Feb. 17	Florence P. Kahn (R)	Julius Kahn (R)	47.5	80.9 *
Mass. 5	June 30	Edith N. Rogers (R)	J. J. Rogers (R)	72.4	67.3
Mich. 3	Aug. 18	J. L. Hooper (R)	A. B. Williams (R)	62.0	65.0
Mass. 2	Sept. 29	H. L. Bowles (R)	G. B. Churchill (R)	58.3	57.2
N. J. 3	Nov. 3	S. H. Appleby (R)	T. F. Appleby (R)	53.3	60.3 †
Ky. 3	Nov. 3	J. W. Moore (D)	R. Y. Thomas (D)	47.1	47.3

* Former Congressman Kahn had no Democratic opposition from 1918 through 1924, but in 1925 his widow faced both Democratic and Socialist opponents.

† The 3rd New Jersey district was narrowly Democratic in 1916, 1918 and 1922.

[3] In Mo., G. H. Williams (R), replacing S. P. Spencer (R); Ind. A. R. Robinson (R) replacing S. M. Ralston (D); and in N. D., G. P. Nye (Ind.

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Wisconsin was strikingly demonstrated in the special primary and election, on September 15 and 29, to fill the vacancy created by Senator LaFollette's death on June 17. 95.8% of the primary vote was cast in the Republican primaries, in which, running against three opponents, on the basis of his father's 1922 platform, Robert M. LaFollette, Jr., received 55.8% of the vote. At the special election itself he received 67.5% of the total, as against 23.0% for a nominee brought belatedly into the field by petition on a "Coolidge-Dawes" platform, 3.1% for a Socialist candidate (significantly present again on the ballot), and only 3.0% for the Democratic nominee.

State elections were at low ebb, being confined to five states. Two of them—New Jersey and Virginia—held elections that could fairly be called general in that governors as well as members of the legislatures were chosen. **New Jersey's** contest had features of interest, illustrating prohibition as an issue and emphasizing the growing force of one of the solidest Democratic urban bosses, Mayor Frank T. Hague of Jersey City. The election was preceded by a Republican primary of far from perfunctory character, in which an independent, State Senator Arthur Whitney, had won the nomination in a field of three from former State Attorney General T. F. McCran, the ostensible choice of the regular organization integrated around United States Senator Edge.[1] A. Harry Moore—for twelve years a member of the city commission of Jersey City, a Protestant and a Y. M. C. A. supporter—was unopposed in the Democratic primary. Whitney had the support of the Anti-Saloon League in his primary contest; the Democratic platform promised the repeal of the state enforcement act and flatly urged modification of the Volstead Act and the repeal of the Eighteenth Amendment itself; so that, although Whitney sought to stress "Coolidge-economy" and the menace of Hagueism, the prohibition issue became central. The Republican candidate carried every county, including the normally Democratic counties of Hunterdon and Sussex on the Delaware, except three—Hudson, Middlesex and Passaic; the phenomenal vote-producing power of the Hague

R.) named in place of E. F. Ladd (Ind. R.). Robinson's appointment by Governor Jackson was said possibly to involve the Ku Klux Klan, at least prospectively. Doubt existed whether the Governor of N. D. (A. L. Sorlie, a Non-Partisan League adherent, nominated and elected as a Republican) had power under the state constitution to fill vacancies in the United States Senate by appointment. Nye was subsequently seated by a Democratic-Progressive-Republican combination.

[1] The vote was A. Whitney, 155,248; T. F. McCran, 123,262; C. Doremus, 59,593. The total primary vote in both parties was 39.3% of the number of names on the party registry lists, and 52.8% of the total vote in the ensuing election. The total Republican primary vote, however, was 84.6% of the vote for Whitney in the election.

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organization in Hudson County turned the scale.[1] The New Jersey Senate was not changed in party complexion—three Democrats only, from Hudson, Hunterdon and Sussex, were elected in a body of twenty-one members; but the Hunterdon County seat was lost in the Assembly, giving the Democrats twelve instead of thirteen of sixty seats.[2] The election of the whole Democratic State ticket in **Virginia** [3] was featureless except for the fact that J. M. Purcell, candidate for re-election as State Treasurer, narrowly escaped defeat by a Republican nominee in a contest partly caused by a hang-over of primary frictions, but largely stimulated by the fact that Mr. Purcell is a Catholic. The Democrats won their usual preponderance in the newly-elected legislature. Members of the lower house of the legislature were elected in **New York State**, giving the Republicans 93 seats, and the Democrats 57—a net gain of three for the latter. In **Kentucky**, where half of the membership of the senate and the whole of the house were renewed, the Democratic preponderance of 2 to 1 was unchanged. In **Michigan** on April 6 the Republicans were successful in filling a number of miscellaneous offices which hardly concern policy or test party strength, but in so far as the election reveals it, the Democratic vote was down. Slightly less overwhelmingly Republican was the election of the only other state-wide officer voted for in 1925—a Judge of the Superior Court in **Pennsylvania**. Here the Democratic vote was up a trifle, being 25.5% of the total, as against 21.2% for the Democratic candidate (a woman) for the same office in 1924.

Municipal elections were numerous. An exhaustive survey even of the bare votes is impossible here, and generalizations are alike forbidden by the variety of types of city government and by the nature of local party alignment, which in its want of conscious adjustment to economic policy often invites the presence of extraneous issues like religion and in any case is endlessly personal and peculiar. A clue to the most interesting situations, however, is afforded by a brief statement of results in the 10 cities of over 500,000 that held elections during 1925.

[1] Jersey City, with approximately 137,000 less inhabitants than Newark, had about 43,000 more persons registered. The Democratic candidate carried Hudson County by 152,582 to 48,587. Whitney's margin was small in the urban counties of Essex and Mercer. The state totals were: A. H. Moore (D), 471,549, A. Whitney (R), 433,121; the combined vote was 91.6% of the vote for United States Senator in 1924. Moore is the third Democratic governor in succession. The minor party vote was negligible—Soc., 1956; Soc. Lab., 594; Workers, 591; Nat. Prohibition, 1,198; Commonwealth Land (Single Tax), 153.

[2] New Jersey elects Assemblymen by general-ticket blocks in counties and the Democrats have now as normally all of the eleven members from Hudson county, and the single member from Sussex.

[3] H. F. Byrd was elected Governor.

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The choice of the mayor, members of the Board of Estimate and of the Board of Aldermen of **New York City** (6,015,504)—not to mention certain county and judicial officers—was perhaps the most important election of the year. As a contest, however, it was very nearly stripped of interest before election day itself was reached; the campaign was inert, and the result was practically a foregone conclusion. This condition was the natural result of the way in which the Democratic leaders (aided, however unwittingly, by practically every civic organization and non-Hearst newspaper and not a little by the Mayor himself) encouraged the localization of criticism of the Democratic City régime since 1918 on Mayor Hylan personally, so that, when they shelved him for the nomination, a sense of victory and of the accomplishment of reform enough for one year was generally felt in anti-Tammany circles. The factors behind the break with Hylan can be guessed in part, if not measured: the strategy of repudiating a peculiarly vulnerable figure-head; dislike, especially by Governor Smith, of the Mayor's alliance with Hearst; the desire of some elements to cut the knot into which the Mayor's intransigence seemed to be tying his party in the matter especially of new rapid transit facilities; and, in some measure, the attempt of Tammany Hall proper with its seat in New York County (Manhattan), and aided by its still dependable ally, Bronx County, to assert its endangered hegemony in the confederate form of organization which, partly because of the survival of the five counties and the creation of the five boroughs, has characterized the parties in New York since the creation of the Greater City. The question of Mayor Hylan's renomination took on the aspect of a conflict between county groups. At conferences of the five county leaders, he was supported by J. H. McCooey of Kings (Brooklyn Borough), from which Hylan came, and by the leaders of Queens and Richmond, while he was opposed by the leaders of New York County (Mr. Olvany, the recently chosen Tammany head) and of the Bronx.[1] The issue was carried to the primary on September 15, in the form of a contest between two slates for the city-wide offices—Mayor, Comptroller and President of the Board of Aldermen—proposed by the rival groups of leaders, with a gentleman's agreement (not strictly complied with) to keep hands off each other's borough nominations. Mayor Hylan was defeated for renomination by James J. Walker, Democratic floor leader in the State Senate, by 154,036 votes to 249,579.[2] Sectional peace was

[1] The shift of the center of gravity of New York City's population is suggested in the fact that the combined Democratic enrollment in the counties opposing Hylan was 400,127; in the counties favoring him, 394,524—a present balance that is rapidly being overcome. In population, Brooklyn alone now exceeds Manhattan.

[2] Hylan carried 5 of 6 assembly districts in Queens and the borough by

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promptly made, and Hylan was not in a position to run independently.[1] The Republican leaders, in the meantime, had settled on Frank D. Waterman,[2] manufacturer of fountain pens, who made a spiritless attempt to talk "business" against those who make a business of public life, with the business community itself more than complacent. In the final vote, with 1,142,204 marked and valid ballots, Walker received 748,687 (65.5%); Waterman, 346,564 (30.0%); and Norman Thomas, Socialist, 39,671 (3.5%).[3] Waterman carried only 2 of the 62 assembly districts of the City, the 15th in Manhattan and the 21st in Brooklyn. The Democrats captured every City, borough, county and judicial office within the area of the City, except three of 65 district members in the Board of Aldermen.

The non-partisan city election in **Chicago** (2,995,239) on April 7 was chiefly noted because of the submission of the question of municipal ownership (*infra*, p. 73), but in a routine way fifty places were filled in the city council. The rejection of Mayor Dever's transportation proposal was thought by some to indicate a possible weakening of his hold on his own following. **Detroit** (1,242,044), fourth largest city, re-elected Mayor J. W. Smith against Klan opposition by 141,206 to 111,076, chose nine councilmen at large, and voted on six propositions (*infra*, p. 73).

Proportional representation, having been sustained in a special election in August (*infra*, p. 76), was operated a second time in **Cleveland** (936,485). Twenty-five councilmen were chosen in four districts from 114 candidates.[4] The political status quo remained

31,627 to 28,266 and both assembly districts in Richmond, and the borough by 12,197 to 6,256; but he carried only 12 of the 23 districts in Brooklyn and lost the borough, 60,959 to 65,584; he carried no districts in either Manhattan or the Bronx, losing Manhattan by 27,942 to 103,596, and the Bronx by 21,311 to 45,877. His main associates on the primary ticket were of course defeated also. The total Democratic vote in the primary was 50.7% of the Democratic enrollment. The total primary vote in both parties was 46% of the total election vote.

[1] Students of the primary can profitably speculate whether, without the primary, Hylan would not have bolted on an independent ticket and prevented a Democratic victory; the direct primary, apparently, can cauterize wounds as well as cause them.

[2] The primary merely confirmed a decision reached in conference, Waterman receiving 113,682 against 16,758 for former Secretary of State Lyons and 4,494 for W. M. Bennett.

[3] Gitlow, choice of the Workers' Party, was again barred from the ballot because of his conviction a few years ago under the New York Criminal Anarchy Law.—The corresponding percentages in the municipal election of 1921 were: Democratic, 63.9; Republican, 28.4; Socialist, 7.0.

[4] It is no adverse criticism of the single-transferable vote system to remark

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essentially unchanged. All but three members of the outgoing council were re-elected, and the balance of elements will be as before: 15 Republicans, 6 Democrats, 4 Independents.

On April 7, in a contest relatively lacking in striking features, **St. Louis** (821,543) was again swept by the Republicans, who won the office of Mayor and of Comptroller and all of the 14 seats of the Board of Aldermen.[1] The Republican candidate for Mayor, V. J. Miller, received 120,352 votes, against 117,223 for W. L. Igoe (who ran a little ahead of the Democratic ticket), and 951 for the Socialist candidate. The Democratic percentage of the total vote for mayor was 49.1%, whereas it had been 46.6% in the preceding election in 1921. An initiative salary ordinance and a charter amendment were approved by large majorities.

Boston (781,529)—still operating a scheme of ostensibily non-partisan elections—chose a Republican mayor for the first time since 1909, and for the first time also tried the restored ward system (*cf.* last RECORD, p. 104). The election of Malcolm E. Nichols (recently Collector of Internal Revenue at Boston, who was supported by both the Republican organization and the Good Government Association) was made possible by the division of Democratic strength between the faction led by the then mayor, J. M. Curley, who pushed T. A. Glynn (his fire commissioner), and that led by Martin M. Lomasney, who backed J. H. O'Neil (former Congressman and banker). Their combined vote, 74,575, exceeded that of Nichols, 64,492; in a field of ten candidates, [illegible] received only 35.4% of the total vote. Twenty-two councilmen [illegible]d unofficially to comprise 13 Democrats and 9 Republicans) were elected in as many wards from 113 candidates.[2]

Los Angeles (657,738), like Boston, returned to the ward plan in 1924. At a non-partisan primary on May 5, 1925 and a general municipal election June 20, a mayor, comptroller, councilmen in 15 wards,

that the tally sheets show that, although 37 counts were necessary in the first district, 23 in the second, 14 in the third, and 19 in the fourth, all but 2 of the 25 finally chosen would have been elected merely by considering the first-choice votes. In all, 99,649 first-choice votes were cast in the election. Some city and school bond issues were voted upon.

[1] For the odd-numbered wards, filled by election-at-large from candidates who stand for particular wards.

[2] 78.7% of the registered vote was polled for mayor. The vote received by the ten candidates was: M. E. Nichols, 64,492; T. A. Glynn, 42,687; J. H. O'Neil, 31,888; D. H. Coakley, 20,144; T. C. O'Brien, 9,443; J. A. Keliher, 7,737; W. T. A. Fitzgerald, 3,188; A. B. Cook, 1,771; W. G. McGauley, 437; and C. L. Burrill, 276. Cook and Burrill were Republicans. Five members of a School Committee were also elected. 10,904 ballots were not marked for councilmen.

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and a board of education were elected under the new charter.[1] Two propositions submitted at the primary and 7 at the election were carried without exception (*infra*, p. 73).

Partisan power, so blurred under conditions like those of Los Angeles, revealed in **Pittsburgh** (631,563) the starkness of the one-party system which prevails so widely in North as well as South. With seven tickets in the field, the Republican nominee for mayor (Judge Charles H. Kline of the Common Pleas Court) received 75.0% of the total vote for mayor. The Democratic vote for this office was especially pitiful—only 5.9% of the total, being about half the vote received by W. L. Smith (principal in a local high school) on a "non-partisan" ticket. In choosing the five councilmen, the Republicans led the Democrats six to one.

The election of supervisors in **San Francisco** (557,530) was said to constitute a virtual referendum, by which the voters expressed disapproval regarding an agreement under which the Pacific Gas and Electric Company would participate in the distribution and sale of hydro-electric power from the municipal Hetch Hetchy water-supply system. According to unofficial reports, a "minority" slate, on a platform hostile to this plan, was successful, and only one of the thirteen positions filled at the election—the office of Recorder—went to an incumbent.

Buffalo (538,016, largest of the commission government cities) re-elected Mayor Frank X. Schwab in a non-partisan election against a candidate supposed to have Klan support.[2]

Two cities, Cincinnati (409,333) and Kansas City, Mo. (367,481)[3] held their first elections under new charters. Both provide the city-

[1] The vote in the primary was 42.7% of the registered vote; the vote in the election itself, only 30.8%. The diminished interest was no doubt partially due to the fact that, under sec. 328 of the charter, candidates at the primary who receive a majority of the vote cast at that time are at once declared elected. The Mayor, G. E. Cryer, and 3 councilmen were thus elected on May 5; the city attorney was not opposed. The primary vote for mayor was: B. F. Bledsoe, 67,644; G. E. Cryer, 82,232; M. S. Gregory, 9,515; R. L. Knapp, 217; E. McKee, 392; G. J. Rindler, 341.

[2] His vote (the largest received by any candidate since the establishment of the commission plan in 1914) was 77,708 to 55,441 for Ross Graves, who had been Commissioner of Finance for six years. Calculations were upset in the election of two councilmen. The Republican Party elected two associate judges of the City Court, with more blanks, however, than the highest candidate received.

[3] In Kansas City a council of 9 was elected, comprising 4 Republicans (one of whom, A. I. Beach, is Mayor) and 5 Democrats. The latter have announced an avowedly partisan policy; H. F. McElroy, a Democrat, has been chosen city manager.

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manager plan, but **Cincinnati's** election was the more interesting because it has proportional representation. The voting was fairly heavy —larger in absolute numbers, indeed, than in the bigger city of Cleveland. According to an unofficial report, 119,482 valid ballots were cast, with only about 3.5% of the total invalid or unmarked. Two candidates reached the quota on first-choices. The selection seems favorable to a fair trial of the new charter. Of the nine councilmen chosen, six (four Republicans and two Democrats) are said to have been members of the Charter Committee; the other three councilmen are adherents of the Republican "organization," led in Hamilton County by R. K. Hynicka.

CONGRESS.—At the second session of the 68th Congress (December 1, 1924–March 4, 1925) the appropriations bills, the principal *raison d'être* of the short session, were passed with great expedition. By the middle of February all nine regular bills had been passed by the House and five had been approved by the Senate and signed by the President. This was speedier action than is usually the case in the short session of Congress. The total appropriations amounted to $3,936,921,277.76. The Senate added to House appropriations barely more than four millions, the smallest amount in forty years. The allowances represented a reduction by Congress of the budget estimates by $11,125,847.08.[1]

The session lasted for 73 working days, and in this time Congress passed 342 public laws, 38 public resolutions, and 223 private laws and resolutions—a legislative rain of 603 laws and resolutions, averaging eight a day. "This," said Mr. Longworth, "is a record of which we

[1] The appropriations were divided as follows

Regular Acts, Fiscal Year, 1926:		
Agriculture	$124,744,441.00	
District of Columbia	31,827,797.00	
Executive Office and Independent Offices	452,434,334.00	
Interior	239,702,926.00	
Legislative, etc.	14,910,971.80	
Navy	287,402,328.00	
State, Justice, Commerce and Labor	71,737,293.77	
Treasury and Post Office	763,221,362.00	
War	332,282,671.00	
Total Regular Acts		$2,318,294,124.57
Deficiency Acts:		
1st Deficiency Act, fiscal year 1925	$159,504,838.19	
2d Deficiency Act, fiscal year 1925	58,065,006.76	
Total Deficiency Acts		$217,569,844.95
Miscellaneous Acts		1,000,000.00
Total regular, deficiency and miscellaneous acts		$2,536,863,969.52
Permanent appropriations		1,400,057,308.24
Grand Total		$3,936,921,277.76

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can be justly proud, and is a fulfillment of the pledge of our party for businesslike attention to the needs of our country." Under these circumstances, the President and Congress felt free to permit a long adjournment, and did not think it necessary to have a special session of the 69th Congress before the regular time of meeting in December. Of the 342 laws that were passed, many related to matters of local importance. The more important measures authorized the re-funding of the debts of Lithuania and Poland; amended the Patents and Trade Marks Act; amended the China Trade Act of 1922; amended the Farm Loan Act and Agricultural Securities Act of 1923 in accordance with the recommendations of the Agricultural Commission, and changed the Revenue Act of 1924 in respect of waivers of limitation in refunds. Four measures aided agriculture, but were of no great importance; 80 authorized the construction of bridges; 28 related to the District of Columbia; 29 affected Indian affairs and lands; 24 changed the law with reference to the terms and fees of Federal Courts and the number of District Judges; 15 gave Congressional approval to projects for monuments and memorials. Other laws related to the following matters: military and naval affairs 28; national forests 17; public lands 21; rivers and harbors 5; territories and insular possessions 12; public buildings 8; railroads 2; war veterans 5; postal service 8; irrigation and reclamation 4; participation in international conferences 2; homestead rights 5; flood control 2; foreign service 4; banks and banking 2. There were no presidential vetoes. The principal issues of the session, indeed, were not in the legislation passed but in the preparations that were made for the organization of the 69th Congress and the ostracism of the Progressives; in Vice President Dawes's inaugural address and his advocacy of a cloture rule in the Senate; in the Senate's attitude toward the President's appointments, and in the working of the procedural changes in the House of Representatives (*cf.* last RECORD, p. 67).

The Republican caucus of the House met on February 27, 1925, and named Representative Nicholas Longworth of Ohio as its candidate for Speaker of the 69th Congress. Invitations to attend the Republican caucus were not sent to the thirteen members of the House who had supported LaFollette in the last election. This action was in line with the declaration of Mr. Longworth that, "The Insurgents have read themselves out of the Party," and had also the approval of President Coolidge. The Progressives were removed from the major committees of the House,[1] Senators Ladd and LaFollette were deprived of chairmanships, and LaFollette was dropped to the bottom of the powerful Finance Committee.[2] Senator George H. Moses of New Hampshire

[1] *Congressional Record,* Dec. 16, 1925, p. 539.

[2] The vacancy caused in the Senate by the death of Senator La Follette was filled on September 29 by the election of the Senator's son.

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was elected President pro tempore of the Senate, vice Senator Cummins of Iowa. Committee assignments were made after an increase by one in the membership of the more important standing committees to enable each senator to have two major committee memberships.

At the special session of the Senate called to confirm the President's appointments (March 4–March 18, 1925) there was discussion of Vice-President Dawes's inaugural address, which had called for amendments to the Senate rules to permit cloture and to prevent filibusters.[1] 115 nominations were submitted by the President. 93 were confirmed. 21 were not acted upon, the major one being that of Thomas F. Woodlock to be a member of the Interstate Commerce Commission. The nomination rejected was that of Charles B. Warren, as Attorney General. It was sent to the Senate by President Coolidge on January 10, 1925, but action was postponed because a contest was certain and because the time of the Senate was fully taken up with the legislation that becomes more burdensome at the close of a session. The objection to Mr. Warren was his former association with the sugar trust. The name was resubmitted to the Senate at the special session, and on March 10 a forty to forty tie vote prevented confirmation. Vice-President Dawes was at his hotel enjoying a nap; if he had been present he could have furnished another instance of vice-presidential votes.[2] The name was again submitted, and after a debate was rejected by a vote of 46-39. There was some suggestion that Mr. Coolidge would offer Mr. Warren a recess appointment, but this intention was not persisted in, and John G. Sargent, of Vermont was nominated and confirmed as Attorney General.

On the first day of the session, the rules of the 68th Congress were readopted, with one important amendment. This related to the discharge rule, which had permitted 150 members to secure a vote upon taking a pending measure out of the hands of a Committee (*cf.* RECORD for 1924, p. 67). The Republican leaders forced through a substitute,[3]

[1] Subsequently, Mr. Dawes made speeches in the country in behalf of his proposal, but there does not seem to be any marked sentiment in favor of the change, and it is doubtful whether the Senate will act in the near future. At the first session of the 69th Congress, however, amendments were proposed to the Rules permitting various forms of cloture by majority action.

[2] See H. B. Learned, "Casting Votes of Vice Presidents", *American Historical Review*, vol. 20, p. 571 (April 1915).

[3] "5. Clause 4, Rule XIII: Strike out the word 'Discharge' and insert the word 'Instruct' so that as amended the clause shall read: 'There shall also be a Calendar of Motions to Instruct Committees, as provided in Clause 4 of Rule XXVII'.

"6. Clause 4, Rule XXVII: Strike out clause 4 and insert in lieu therof the following:

"'4. A Member may present to the Clerk a motion in writing to instruct a

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which will keep the control of the House securely in the hands of the leaders. It was pointed out in the debate that in the 68th Congress the old rule had not operated to the advantage of minorities. Only one Committee had been discharged of a single measure (the Howell-Barkley Bill), and this action was largely bipartisan. The matter was returned to in a debate on December 16, when Representative Garrett of Tennessee declared that the only reason for the more rigorous discharge provision (which in practice will be unworkable) was the fear of the Republican majority that before the end of the session they would have to face a vote upon the revision of certain schedules in the Fordney-McCumber Tariff bill. If discharge of the Ways and Means Committee is impossible, this subject can be kept off the floor of the House. Representative Tilson, the Republican floor leader, justified the new provision because the old arrangement placed in the hands of a majority of five more than one-third of the membership of the House (that is, 150) the power "to take control from the respon-

committee to report within 15 days a public bill or resolution which has been referred to it 30 days prior thereto (but only one motion may be presented for each bill or resolution). The motion shall be placed in the custody of the Clerk, who shall arrange some convenient place for the signature of Members. A signature may be withdrawn by a Member in writing at any time before the motion is entered on the Journal. When a majority of the membership of the House shall have signed the motion it shall be entered on the Journal, printed with the signatures thereto in the CONGRESSIONAL RECORD, and referred to the Calendar of Motions to Instruct Committees.

'On the 3d Monday of each month, immediately after the approval of the Journal, any Member who has signed a motion to instruct which has been on the Calendar at least seven days prior thereto, and seeks recognition, shall be recognized for the purpose of calling up the motion, and the House shall proceed to its consideration in the manner herein provided without intervening motion except one motion to adjourn. Recognition for the motions shall be in the order in which they have been entered.

'When the motion shall be called up, the bill or resolution shall be read by title only prior to a second being ordered by tellers. After the reading of the bill by title the motion shall not be submitted to the House unless seconded by a majority of the membership of the House to be determined by tellers, and clause 4 of Rule XV shall not apply to such second; if such motion fails of a second it shall immediately be stricken from the Calendar and shall not be thereafter placed thereon.

'If a second be ordered, debate on such motion shall be limited to 40 minutes, one-half thereof in favor of the proposition, and one-half in opposition thereto. Such motions shall require for their adoption an affirmative vote of a majority of the membership of the House. Whenever such motion shall prevail the committee shall report said bill or resolution to the House within 15 days thereafter, and such bill or resolution shall be referred to its appropriate Calendar.'"—*Congressional Record*, 69th Congress, 1st Session, Dec. 7, 1925, pp. 9-10.

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sible party and force action on any bill." This, however, is an extreme statement of the situation. All that the 150 signers could do was to force the House to go on record as to whether a majority of the membership desired to discharge a Committee.

The principal business of the 69th Congress was the reduction of taxes, in accordance with Secretary Mellon's proposals, and a bill accomplishing this passed the House of Representatives on December 18. The draft, as it went to the Senate, increased the exemptions upon single persons from $1,000 to $1,500 and upon heads of families from $2,500 to $3,500. It was estimated that 2,300,000 persons who now pay income taxes will be tax free. Striking cuts were made in the rates. In the old law the normal rates were 2% on the first $4,000 of taxable income, 4% on the second $4,000 and 6% on all over $8,000; the rates in the new law are 1½%, 3% and 5% respectively. The surtaxes were greatly reduced also, the maximum of 20% being reached on net incomes of $200,000. The bill repealed the publicity feature of the existing law, the gift tax and taxes on the sale of watches, jewelry and various other articles.

The bill was considered by the House of Representatives under ordinary rules, and without the use of a special order (*cf.* last RECORD, p. 68). Five days of general debate were allowed, and then consideration began in the Committee of the Whole for amendment and debate under the five-minute rule. This was more generous treatment of the rank and file of the House than had been the case with previous tax measures. The law of 1921 went through the House of Representatives in four days, and was considered under a special order; the Mellon bill of 1924 was debated generally for four days and then a special order was adopted determining the procedure that would permit the House to vote on the alternative Garner and Frear schedules for the income tax. By the time of its adjournment for the Christmas recess (December 22) the House had passed the Treasury and Post Office Departments appropriation bill as well as the tax measure. A striking feature of the session was that party politics seemed to be almost completely adjourned. The Democrats abandoned all pretence of having an alternative program in respect of tax reduction which they could set up against the policies that the Republicans were driving to the statute book. Save for an individual here and there the Democrats in the House did not advocate raising the surtax rate above 20%. Indeed, their principal proposal was that taxes might be reduced still further by going on "tick," raiding the sinking fund, and extending the payment of the national debt over a longer period. Only in respect of presidential appointments to the administrative commissions, and in supporting various investigations did the Democrats act as a real opposition.[1]

[1] At the second session of the 68th Congress 11 Congressional Committees

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THE SUPREME COURT AND ITS DECISIONS ON CONSTITUTIONAL LAW.[1]—Shortly after the opening of the term of the Supreme Court in October, 1924, Mr. Justice McKenna resigned. He was seventy-two years of age and had served on the Supreme bench for twenty-seven years. Immediately upon his resignation President Coolidge nomined for the vacancy **Harlan Fiske Stone** of New York. For somewhat less than a year Mr. Stone had been Attorney General of the United States, this being the first and only public office he had held. After some opposition before the Judiciary Committee Mr. Stone's nomination was confirmed by the Senate and on February 5, 1925 he received his commission as Associate Justice. From 1910 to 1923 he had been Dean of the Columbia University School of Law. At the time of his appointment as Attorney General he was a member of the well known firm of Sullivan and Cromwell of New York. His appointment to the bench at the age of fifty-two brought the average age of the members of the Supreme Court down to sixty-five. No other change was made in the personnel of the bench.

During the term the Supreme Court passed upon the **constitutionality of a number of acts of Congress**, several of which involved questions of more than casual interest and importance. One of these concerned the validity of the provisions of the Volstead Act with reference to **searches and seizures** as applied to an automobile upon the public highways. The Act prohibits the search of a "private dwelling" without a warrant but it permits the search of "any other building or property" without a warrant, provided such search is not made "maliciously or without probable cause." At least this is the

were authorized to sit during the recess and conduct various investigations. The subjects included the land grants of the Northern Pacific Railroad Company; a permanent schedule of postal rates; the oil lands of the naval reserves; the Internal Revenue Bureau; proposed legislation relating to the Colorado River Basin; all matters concerning national forests and the public domain; the nine-foot channel from the Great Lakes to the Gulf; the official conduct of the District Judge of the Eastern District of Illinois; and three contested election cases. The President was authorized by law to create a Muscle Shoals Commission to secure information concerning the most favorable plan for leasing the Muscle Shoals property. (The Muscle Shoals Bill failed of passage and was returned to the Conference Committee by the Senate because new matter had been inserted.—See *Congressional Record,* February 19, p. 4270.) When the 69th Congress convened, investigations were started of the failure of the Federal Commission and the Department of Justice to proceed against the Aluminum trust, and of restrictions on the export of rubber by the British Government.

[1] As in the case of the last RECORD OF POLITICAL EVENTS, the work of the Supreme Court is here reviewed for its official term rather than for the calendar year. The term began in October, 1924 and ended in June, 1925.

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interpretation which the majority of the Court put upon the statute. It was contended that this provision was in violation of the Fourth Amendment, a contention which the Supreme Court declined to countenance.[1] The opinion pointed out that Congress from a very early date has made a distinction between the search for contraband goods in course of transportation, as, for example, upon a ship. Since goods in course of transportation can be readily put out of reach of a search warrant, such a warrant is not necessary in order to constitute a "reasonable" search. Of course there must be reasonable and probable cause. "It would be intolerable and unreasonable if a prohibition agent were authorized to stop every automobile on the chance of finding liquor." Mr. Justice McReynolds, with Mr. Justice Sutherland concurring, vigorously dissented. "The damnable character of the 'bootlegger's' business should not close our eyes to the mischief which will surely follow any attempt to destroy it by unwarranted meddling." They were of the opinion for one thing, that the facts in this case did not create a probable cause, the only circumstance leading to suspicion being that the defendants had some two and a half months previous to their arrest negotiated with prohibition agents for the sale of three cases of whiskey which were in fact never delivered. More especially, however, were they of the opinion that the Volstead Act contained no definite grant of authority to arrest upon suspicion and that such authority could not be inferred from its provisions. "To conclude that, by declaring the unauthorized search of a private dwelling criminal, Congress intended to remove ancient restrictions from other searches and seizures and from arrests as well, would seem impossible." The legislative history of the provisions in question seems to show that Congress itself had no very clear conception of what the provisions actually meant. They were in the nature of a compromise between the "pros" and the "antis." The law certainly did not in so many words attempt to legalize such a search as the one involved here: if the Supreme Court did not add the teeth they at least sharpened and strengthened those which Congress supplied.

The waxing **police power of Congress, referable to the commerce clause**, which began with the Lottery Case [2] in 1903 and which received a rude setback in the first child labor case,[3] was given aid and comfort by a case which sustained the constitutionality of the national Motor Vehicle Theft Act.[4] This act provided punishment for any person

[1] *Carroll v. U. S.*, 267 U. S. 132.

[2] *Champion v. Ames*, 188 U. S. 321.

[3] *Hammer v. Dagenhart*, 247 U. S. 251.

[4] *Brooks v. U. S.*, 267 U. S. 432.

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who transported in interstate or foreign commerce a stolen automobile or who received, concealed, stored or sold such stolen vehicle. The court regarded this act as a valid regulation of commerce, assimilating it to the police power statutes which had been upheld in the series of cases beginning with the Lottery Case. The child labor act, which had been declared void by the court, was distinguished on the ground that it was an attempt to regulate labor "in the state of origin." "Articles made by child labor and transported into other states were harmless, and could be properly transported without injuring any person who either bought or used them." Analyzed as to its effect it would seem that the law here under review fell midway between the police power acts which have been sustained, and the child labor act which was defeated. A stolen motor car is in itself surely as harmless as are articles manufactured in factories employing child labor. The injury caused by the theft is primarily an injury to the owner committed in the state of origin not in the state of destination. But injury might also be caused in the state of destination either to the morals of a person who, with knowledge of the theft, bought the harmless article or to an innocent purchaser who might subsequently be compelled to relinquish the motor car without receiving financial redress. The court did not examine this refinement of possible effect but went on to speak of "elaborately organized conspiracies for the theft of automobiles"—which conspiracies were not the subject of the law. And the "harmful result" that was especially emphasized was the "defeat of the property rights of those whose machines against their will are taken into other jurisdictions." These "property rights," it will be noted, are like the health rights of children, subject to protection by the laws of the state in which the theft is committed.

The **constitutional law of contempt** in the federal courts received consideration in three important cases. *Michaelson v. U. S. ex rel Chicago, St. P. M. & O. R. Co.*[1] upheld the provision of the Clayton Act which authorized the accused to demand a jury trial in any case involving disobedience to a writ or decree of a Unitd States court, provided the act done was of such a character as to constitute also a criminal offence either under federal or state law. The court pointed out that the statute was one of narrow scope, that it did not interfere with the power of courts to deal summarily with contempts committed in their presence, and that it did not reach those cases of refusal to do something commanded by a decree which may be enforced by coercive means or remedied by purely compensatory relief. There really was no fundamental difference between a criminal contempt and a criminal case. In a criminal case the accused enjoys a

[1] 266 U. S. 42.

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constitutional right of trial by jury. It could not be reasonably contended that the constitution was in any way violated by extending this right to a class of contempts which are properly described under the broader term "criminal offences." In another contempt case[1] it was held that the President's pardoning power extends to convictions of criminal contempt. Offences against federal courts are "offences against the United States," the phrase that is used in the pardoning clause. The words "the United States" were added in order to make it clear that the President's pardoning power was not to operate upon offences against the states. In addition there was weight of practical construction, the pardoning power having been exercised upon criminal contempts over a period of eighty-five years. The court spurned the notion that the recognition of this power in the President would destroy the independence of the judiciary or violate the principle of the separation of powers. With fine recognition of the possible need for the occasional exercise of such power the court asked: "May it not be fairly said that in order to avoid possible mistake, undue prejudice, or needless severity, the chance of pardon should exist at least as much in favor of a person convicted by a judge without a jury as in favor of one convicted in a jury trial?" Perhaps the court had in mind at the moment the facts of a case involving "undue prejudice" and "needless severity" which was decided a month later.[2] After the trial of one of a series of cases before a United States district court an attorney wrote a letter to the presiding judge accusing him of prejudice and of lending his ear to secret slander against his, the attorney's, client. Some days later the judge ordered the attorney arrested, called in counsel for himself "as a friend of the court," and had the district attorney on hand on the ground that this was a criminal case. He refused to give the accused any opportunity to consult counsel, prepare his defense, or call witnesses, and in pronouncing sentence he even went so far as to introduce new charges which the contemner had been given no opportunity to hear. The Supreme Court held that this procedure was lacking in due process. There was no reason why in the circumstances a rule to show cause should not have been issued. "It was harsh under the circumstances to order the arrest" and "the procedure pursued was unfair and oppressive." A more flagrant case of unreasonableness in the exercise of the power to commit for contempt could scarcely be imagined. It is interesting to note the suggestion of the Supreme Court that in cases of this kind, wherever it is practicable, a judge who is personally attacked should ask one of his fellow judges to take his place in the contempt proceedings.

Another federal law, the constitutionality of which was upheld, was

[1] *Ex parte Grossman*, 267 U. S. 87. [2] *Cooke v. U. S.*, 267 U. S. 517.

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an act of 1909 which made the mere possession of opium after the year 1913 sufficient evidence to authorize conviction for smuggling "unless the defendant shall explain the possession to the satisfaction of the jury."[1] This of course placed upon the accused the **burden of proof against the presumption of guilt**. In the view of the court this was not undue process of law. It was perfectly logical to infer that opium, found in this country fourteen years after the law prohibiting its importation, was imported unlawfully. The accused was bound to know of the prohibition and there was nothing unreasonable in requiring him to show at his peril "the facts or circumstances which rebut or tend to rebut the natural inference of unlawful importation."

In 1920 the Supreme Court decided the delicate question that a **tax upon the salaries of federal judges** levied after their appointment to office was a diminuation of their "compensation" and was therefore prohibited by the constitution.[2] Of course it would have been rather absurd in practice to tax the salaries of only those judges who might be appointed subsequent to the enactment of the law imposing such tax. That would have involved a discriminatory classification of judges on the basis of the date of their appointment to office—a classification that could find justification only in a technicality of the constitution as construed by the court. Although the salary law involved in the more recent case upon this subject[3] was in point of fact enacted one day later than the tax law involved, the court in declaring the tax law inapplicable makes no point of this fact. The question is what does "compensation" mean as used in this constitutional provision? In the opinion of the court it means the salary as fixed by the salary law and this cannot be diminished by a tax law no matter which law precedes in point of time and no matter whether the judge was appointed before or after the tax law was enacted. In other words, the salaries of federal judges are not subject to income tax under any circumstances. Mr. Justice Holmes, with Mr. Justice Brandeis concurring, recorded himself in a convincing dissent in the first of these cases. In the later case Mr. Justice Brandeis dissents without opinion.

Needless to say, the cases involving the **constitutionality of state laws** were as usual far more numerous than those concerned with the constitutionality of federal laws. A few of these involved questions of what may properly be regarded as personal rather than property rights under the constitution. We are gradually emerging from the crop of **free speech cases** that arose as a result of the war, but the case of *Gitlow v. N. Y.*[4] is one of really very great importance.

[1] *Yee Hem v. U. S.*, 268 U. S. 178.

[2] *Evans v. Gore*, 253 U. S. 245.

[3] *Miles v. Graham*, 268 U S. 501.

[4] 268 U. S. 652.

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As late as 1907 the Supreme Court, speaking through Mr. Justice Holmes, specifically left undecided the question whether a prohibition against abridging the freedom of speech and the press could be found in the Fourteenth Amendment,[1] and in 1921 the court emphatically declared that "neither the Fourteenth Amendment nor any other provision of the constitution of the United States imposes upon the states any restriction about 'freedom of speech' or 'liberty of silence.'"[2] But this categorical statement now appears to have been an error. The Gitlow case squarely holds that the "liberty" of which a person may not be deprived without **due process of law includes liberty of speech.** It refers to the declaration of 1921 as an "incidental statement," although it is certainly open to question whether, as employed in the earlier case, it may be properly so regarded. The Gitlow case involved the constitutionality of the New York Criminal Anarchy Statute of 1901. Gitlow was responsible for the publication in 1919 of the "Manifesto" of the Left Wing of the Socialist party. He contended that, as construed by the state courts, the statute deprived him of liberty without due process of law, because it penalized the mere utterance of doctrine "having no quality of incitement," because there was no evidence of any concrete result flowing from or likely to flow from the publication and because it did not advocate any definite or immediate act or acts of force and was not addressed to any specified persons. The court, speaking through Mr. Justice Sanford, held the law valid. The case of *Schenck v. U. S.*[3] was distinguished. In that case "certain acts" had been prohibited by the statute. It was therefore the duty of the court to determine whether any specific utterance came within the class of acts prohibited. In this case, however, the legislature had determined generally that "utterances of a certain kind involved such danger of substantive evil that they may be punished." It was not for the courts, therefore, to determine whether any specific utterance is or is not likely to bring about the substantive evil. This appears to be fine-spun reasoning. In a brief and brilliant dissenting opinion Mr. Justice Holmes applied the "clear and present danger" rule which he laid down for the entire court in the Schenck case and which was reiterated by him and Mr. Justice Brandeis in forcible dissents in the Abrams and Shaefer cases.[4]

The **Oregon Compulsory Education Act** of 1922, effective September, 1926, was declared void by a unanimous court.[5] Directed primarily at the

[1] *Patterson v. Colorado,* 205 U. S. 454.

[2] *Prudential Insurance Co. v. Cheek,* 259 U. S. 530.

[3] 249 U. S. 47.

[4] 250 U. S. 616; 251 U. S. 466.

[5] *Pierce v. Society of the Sisters of the Holy Names of Jesus and Mary,* 268 U. S. 510.

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parochial schools of the Roman Catholic church the act in effect sought to abolish all elementary private schools. The court held that the law "unreasonably interferes with the liberty of parents and guardians to direct the upbringing and education of children under their control," and deprives private schools of "business and property for which they claim protection." This case and *Meyer v. Nebraska*,[1] which held that the legislature might not prohibit the teaching of German in private schools, reveal the constitutional obstacle over which bigotry or mistaken patriotism must fall when state legislatures attempt to control private education. They do not, however, indicate in any respect the limits to which stupid legislatures may go in dealing with the subject of public education.

A state law **prohibiting the mere possession of liquor**, no matter how or when acquired, and no matter if held for personal use only, is not an ex post facto law and does not deprive a person of property without due process.[2] The law imposes no punishment for the legal act of acquiring liquor prior to prohibition. It lays its penalty for "continuing to possess liquor after the enactment of the law." If the possession of liquor is permitted there is always danger of its becoming accessible to others. Therefore legislation making mere possession unlawful is a reasonable exercise of the police power. Mr. Justice Butler disagrees, and there is certainly no utter lack of logic in his contention that the suggestion is "fanciful and without foundation" that the destruction of a private supply of liquor lawfully acquired and held for the use of the owner in his own home has any relation whatever to the protection of the public. In his judgment the law is oppressive and arbitrary and in violation of the due process clause.

The **California Alien Land Law**[3] provided that when land is taken in the name of some person legally entitled to acquire agricultural land but is paid for by an alien ineligible to citizenship, this shall be taken as prima facie presumption of intent to prevent, evade, or avoid the escheat which the law provided in case of conveyance of land to such an alien. It was contended that this was a denial of equal protection since there was no such presumption where the payment was made by a citizen or eligible alien; but as the court pointed out there were perfectly reasonable grounds for making this distinction and the law was therefore not invalid.[4]

[1] 262 U. S. 390.

[2] *Samuels v. McCurdy*, 267 U. S. 188.

[3] Sustained in 1923 in *Porterfield v. Webb*, 263 U. S. 225; *Webb v. O'Brien*, 263 U. S. 313; *Frick v. Webb*, 263 U. S. 326; *Tenance v. Thompson*, 263 U. S. 197.

[4] *Cockrill v. California*, 268 U. S. 258.

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There were as usual a number of cases involving the **rights of public utilities** under the due process clause but none of those decided during the term involved anything new in principle.[1]

There were one or two fairly important cases involving the validity of **labor legislation**. The Kansas Court of Industrial Relations was again before the court in a second Wolff Packing Company case.[2] The first case,[3] decided in 1923, destroyed that so-called court in so far as it was authorized to fix wages. The second case destroyed what was left of its powers, especially the power to fix hours of labor. The first case governed the second. It was not as though authority had been conferred generally upon the Industrial Relations Court to fix wages and hours of labor. That would have presented a different question. The trouble was that its competence in this regard was merely a feature of an offending system—a system of compulsory settlement of industrial disputes in essential industries to the end that business shall continue. "The system of compulsory arbitration which the act establishes, is intended to compel, and if sustained will compel, the owner and employes to continue in the business on terms which are not of their making. . . . Such a system infringes the liberty of contract and rights of property guaranteed by the due process of law clause." The whole system is invalid. Another law involving the question of liberty of contract was one of the state of Nebraska which limits **attorneys' fees in workmen's compensation cases** to such amounts as the court might allow. This, in the judgment of the Supreme Court, is a reasonable exercise of the police power in the public interest.[4] Many of those who come under the act need to be protected against improvident contracts for legal services. The subject matter upon which the attorney is acting is a "right created by statute" and he practises under a license from the state. For the public good the state may therefore attach conditions to his license.

Among **decisions under the commerce clause** a somewhat novel case was that which sustained the complete competence of the United States, under the power to make treaties and to regulate commerce, to determine the amount of water which might be withdrawn from the Great Lakes into the Chicago drainage canal.[5] Mr. Justice Holmes's

[1] *Ohio Utilities Co. v. Public Utilities Commission of Ohio*, 267 U. S. 359; *Northern P. R. Co. v. Department of Public Works*, 268 U. S. 39; *Banton v. Belt Line Railway Corporation*, 268 U. S. 413; *Western & Atlantic R. Co. v. Public Service Commission*, 267 U. S. 493; *Fort Smith Light & T. Co. v. Bourland*, 267 U. S. 330.

[2] *Wolff Packing Co. v. Court of Industrial Relations of Kansas*, 267 U. S. 552.

[3] 262 U. S. 522.

[4] *Yeiser v. Dysart*, 267 U. S. 540.

[5] *Sanitary District of Chicago v. U. S.*, 266 U. S. 405.

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opinion in vindication of the authority of the federal government in conflict with a state has the ring of some of Marshall's great early decisions in support of nationalism as against states' rights. In *Lancaster v. McCarty*[1] the **rule of the famous Shreveport case,**[2] decided in 1914, was kept alive and somewhat extended. A Texas law forbidding railroads to limit their liability as it existed at common law was held to be void as applicable to an intrastate shipment where the shipment had been made under the regulations of the Interstate Commerce Commission, which regulations including limitation of liability were established pursuant to the decision of the Shreveport case. The Commission had ordered the adoption of the Western Classification for intrastate points in order to avoid the discrimination in rates as against interstate points. The court held that rates and classification are bound together. Hence the supremacy of the federal authority exercised by the Commission.

It was inevitable that in the course of time the Supreme Court should have to consider the status of **the motor vehicle in interstate commerce** and to determine what restrictions rest upon the states in regulating and controlling the transportation of goods and passengers across state lines by those modern carriers. A law of Washington required that common carriers by motor vehicle for hire should obtain from the state director of public works a certificate of convenience and necessity. The director refused to grant a permit to operate a motor stage route from Seattle to Portland on the ground that the territory was already adequately served by railroads as well as stages. As applied to such an applicant seeking to operate as an interstate carrier the act was held void.[3] Its primary purpose, said the court, was not to regulate the uses of the highways in the interest of the public safety but to prohibit competition. This was a regulation of interstate commerce, not merely a burden but a positive obstruction. A similar law of Maryland was also declared invalid.[4] Reference had been made in the Washington case to the fact that the highway in question had been built with federal aid. This was not the case in respect to the Maryland highway, but the court held this to be impertinent. Federal aid was of no importance except that Congress in granting such aid made clear its purpose that state highways should be open to interstate commerce. A Michigan law declared that all persons engaged in the transportation of persons or property for hire by motor vehicle are common carriers and required them to furnish indemnity bonds and to pay a license fee. As applied to a

[1] 267 U. S. 427.

[2] *Houston E. W. T. R. Co. v. U. S.,* 234 U. S. 342.

[3] *Buck v. Kuykendall,* 267 U. S. 307.

[4] *Bush & Sons Co. v. Maloy,* 267 U. S. 317.

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person who under private contracts was engaged in the transportation of goods from Detroit to Toledo the act was held void.[1] It was a burden upon and interference with interstate commerce to put upon the plaintiff the duties and liabilities of a public carrier when in fact he was a private carrier. Moreover it was depriving him of property without due process of law to attempt to transform a private carrier into a public carrier by legislative fiat. These three cases involving legislation applicable to motor vehicles in interstate commerce show that the Supreme Court will apply the same rules of restriction upon the states in regulating business of these new carriers that have been applied in the case of railroads. The possibility, therefore, not to say probability, of regulation by Congress through the Interstate Commerce Commission or some other federal tribunal looms upon the horizon.

In 1922 the Supreme Court voided a **new "granger" law** of North Dakota. The statute required buyers of grain at local elevators to be licensed, to pay a fee, to be subject to a system of inspection, weighing, grading, and price-fixing, and to give compensation for valuable "dockage."[2] In the opinion of Mr. Justice Day, speaking for the majority of six, it was implied that the price-fixing feature of the Act, which in his judgment could not be separated from the whole, was not only its most offending but also its most important feature, without which "the state legislature would not have passed the act." In November of 1922 an initiated measure was approved by the voters which omitted the price-fixing power; the supervisor was authorized merely to investigate prices and to supervise "in a general way" to prevent unreasonable profits.[3] This act was also held void. The difference between the two statutes was urged, but the court thought "it would serve no useful purpose to take up these differences in detail." So the problem was approached as one of first impression. Buying for shipment in interstate commerce is interstate commerce, and to subject such buying to the conditions imposed by the act "directly interferes with and burdens interstate commerce, and is an attempt by the state to prescribe rules under which an important part of such commerce shall be conducted." In the first of these cases Mr. Justice Brandeis wrote a dissenting opinion in which Justices Holmes and Clark concurred; in the latest case only Mr. Justice Brandeis recorded dissent.

Interstate commerce cannot be "burdened" by state tax laws and the court continued to determine what is and what is not a "burden" upon such commerce. An Ohio statute was held void which imposed

[1] *Michigan Public Utilities Commission v. Duke,* 266 U. S. 570.

[2] *Lemke v. Farmers' Grain Co.,* 258 U. S. 50.

[3] *Shafer v. Farmers Grain Co.,* 268 U. S. 189.

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upon foreign corporations having common stock without par value, an annual license fee of five cents per share upon the proportion of the number of shares of authorized common stock represented by property owned and used and business transacted in the state.[1] "The inevitable effect of the act is to tax and directly burden interstate commerce of foreign corporations permitted to do business in Ohio, and engaged in interstate commerce, wherever the number of shares authorized, subject to the charge of five cents each, exceeds the number of outstanding shares attributable to or represented by the corporation's property and business in that state." The act also violates the equal protection clause for, in its practical operation it "does not require like fees for equal privileges held by foreign corporations in Ohio under the same circumstances. Unless, under the laws of state where organized, they chance to be authorized to issue the same number of non-par-value shares, the annual franchise fees imposed on foreign corporations having the same amount of property and business and exercising the same privileges in Ohio, will not be the same." A municipal ordinance of Portland, Oregon which required persons who solicit orders from place to place and who receive deposits in advance to secure licenses and file bonds was held void as applicable to solicitors of a company engaged entirely in the business of transporting goods in interstate commerce upon such orders. Such a license and bond requirement was a burden upon commerce. So also the interstate commerce of an oil company whose pipe line extended from Oklahoma through Missouri into Illinois, without receiving or delivering oil in Missouri, was held to be burdened by a "franchise" tax of Missouri.[2] This was true even though the company had its principal office in Missouri and carried on an amount of ancillary business which did not, in the judgment of the court, amount to "the doing of a local business." Mr. Justice Brandeis dissented on the ground that the tax was neither an appreciable burden upon nor obstruction to interstate commerce and that there was no element of discrimination against such commerce or against foreign corporations as compared with domestic. On the contrary, in his view the decision of the majority put the state to the choice of either abandoning the corporate franchise tax or discriminating against intrastate commerce. A statute of Massachusetts, which imposed an excise tax on foreign corporations, was held void as applied to a corporation which carried on in that state nothing but an interstate business.[4] The method by which the amount of the tax was computed

[1] *Air-Way Electric Appliance Corporation v. Day,* 266 U. S. 71.

[2] *Real Silk Hosiery Mills v. Portland,* 268 U. S. 325.

[3] *Ozark Pipe Line Corporation v. Monier,* 266 U. S. 555.

[4] *Alpha Portland Cement Co. v. Massachusetts,* 268 U. S. 203.

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was far too complicated to be outlined here or to be explained even as to its principle; but such "an extremely complicated method," said the Court, "does not change its nature or mitigate the burden" which it imposes on interstate commerce.

In addition to the tax laws which were held to be burdens upon interstate commerce one extremely important case and another of less importance were decided involving **state inheritance taxes.** Two points were settled in *Frick v. Pennsylvania.*[1] Under the Pennsylvania inheritance tax law the attempt was made to tax the transfer of *tangible* personal property of the Frick estate having its situs in New York and Massachusetts. It was argued of course that the Pennsylvania tax was imposed upon the transfer only and not upon the property. But the court held that the transfer of this tangible personal property could take place and therefore be subject to tax only in the state in which the property was situated. The fact that the owner was domiciled in Pennsylvania brought neither the property nor its transfer within the jurisdiction of that state. It was on precisely the same basis as immovable realty; but the contrary rule as to intangible personalty remains as heretofore established.[2] The case was distinguished from certain other somewhat analgous cases and especially from that in which a tax is imposed by a state upon the transfer of stock of a corporation of that state where the stock forms part of the estate of a non-resident and where a graduated tax is imposed with reference to the value of the entire estate.[3] The difference between that and the Pennsylvania case is that the state does not attempt to tax the transfer of outside property. It is taxing merely the transfer of stock over which transfer it has jurisdiction. The only bearing which outside property has is that it affects the *rate* of the tax that is imposed on property that is within the state.[4] The second point decided in this important case was that stocks of corporations of other states must be computed by the state of domicile with a deduction for the stock transfer taxes that are paid in those states, which are in the nature of "lienors in possession." These stocks could not be brought within the jurisdiction of Pennsylvania for the purpose of taxing their transfer until the transfer taxes imposed by the states having jurisdiction of the corporations had been satisfied. Hence "so much of the value as was required to release a superior claim of the other states was quite beyond Pennsylvania's control." A California inheritance tax law which resulted in imposing "a much larger proportionate tax on the succession to the residuum of a large

[1] 268 U. S. 473.

[2] *Blackstone v. Miller,* 188 U. S. 189; *Bullen v. Wisconsin,* 240 U. S. 625.

[3] *Maxwell v. Bugbee,* 250 U. S. 525.

[4] The case is also distinguished from *Plummer v. Coler,* 178 U. S. 115.

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estate than a smaller estate, although the residuary estate and the residuary legacy be equal in each instance" was upheld.[1] The equal protection of the laws clause does not require that persons of like relationship receiving residuary legacies of like amounts shall be equally taxed where the inequality depends upon the size of the estate.

There were several state **assessment statutes** which were under review during the term,[2] and one involving the exercise of the power of **eminent domain**,[3] but no points of striking newness or interest were considered.

Important **changes in the appellate jurisdiction of the Supreme Court** were made by a statute of February 13, 1925. Direct review by the Supreme Court of cases decided in the courts of the territories and insular possessions was abolished except for review upon certiorari of certain important cases from the Philippine Islands. New restrictions were also placed upon direct review by the Supreme Court of judgments of the United States district courts, such review being limited to five specified classes of cases. Review by the Supreme Court of cases decided by the circuit courts of appeals can be obtained in three ways: by certification from such courts asking for instructions; by certiorari issued by the Supreme Court; or upon a writ of error or appeal where the decision is against the validity of a state law. Review from the court of claims is only by similar certification or upon certiorari. Review in habeas corpus proceedings is from the district courts to the circuit courts of appeals instead of, as formerly in certain cases, directly to the Supreme Court. Of no slight importance is the provision of the law which declares that if a writ of error be improvidently sought this alone shall not be ground for dismissal, but the papers shall be regarded and acted on as if a petition for certiorari had been presented and allowed.

On June 8, 1925 the Supreme Court adopted revised rules with the purpose of putting into effect these amendments to the Judicial Code. Of special interest is the rule dealing with the subject of writs of certiorari of decisions of the state and federal courts.[4] Review on such a writ "is not a matter of right, but of sound judicial discretion, and will be granted only where there are special and important reasons therefor." In general, the reasons must be as follows: (a) where a state court has decided a new federal question or has not followed the decisions of the Supreme Court; (b) where decisions of

[1] *Stebbins v. Riley*, 268 U. S. 137.

[2] *Kansas City S. R. Co. v. Road Improvement District, No. 3*, 266 U. S. 379; *Missouri P. R. Co. v. Western Crawford Road Improvement District*, 266 U. S. 187; *Lee v. Osceola & Little River Road Improvement District*, 268 U. S. 643.

[3] *North Laramie Land Co. v. Hoffman*, 268 U. S. 276.

[4] Rule 35, sec. 5.

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circuit courts of appeals are in conflict with one another or are in conflict with local decisions (if on an important question of local law) or in conflict with the weight of authority (if on an important question of general law) or where such court decides a new federal question or does not follow the decisions of the Supreme Court, or where such court has departed far from the accepted and usual course of judicial proceedings; (c) where the court of appeals of the District of Columbia has decided a question of general importance or a new question under the constitution, a treaty, or a statute, or has not followed the decisions of the Supreme Court. The general tendency of the act will probably be to decrease the number of cases coming before the Supreme Court.

NATIONAL ADMINISTRATION.—Four new faces appeared in the **cabinet** in 1925: Frank B. Kellogg, of Minnesota, as Secretary of State (February 16) in place of Charles E. Hughes; W. M. Jardine of Kansas, as Secretary of Agriculture (March 5), to fill the place in which H. M. Gore (now governor of West Virginia) had been the stop-gap after Wallace's death; John G. Sargent, of Vermont, as Attorney General (March 17) after the failure of the President's attempt to secure C. B. Warren following Harlan F. Stone's appointment to the Supreme Court; and D. F. Davis, of Missouri, as Secretary of War (October 14) on the resignation of J. W. Weeks, under whom Mr. Davis had been assistant secretary and for six months acting secretary. In the President's immediate staff, C. Bascom Slemp resigned as Secretary and his place was filled by Everett Sanders, a Republican representative from Indiana in the 65th to 68th Congresses, lately a member of the Republican Steering Committee of the House, and chairman of the Republican speakers' bureau in the 1924 campaign.

The year's most significant occurrence, administratively, has been the presentation, more sharply than before, of the question of the status of the so-called **independent commissions**: the Federal Trade Commission, the Tariff Commission, the Shipping Board and Emergency Fleet Corporation, and the Interstate Commerce Commission. The balance of power in the **Federal Trade Commission** was reversed by the appointment on February 25 of W. E. Humphrey (for many years a Republican Congressman from Washington and Mr. Coolidge's pre-convention manager in the West), in place of N. B. Gaskill, who at the expiration of his term on September 25, 1924, had been continued in office under a recess appointment. A persistent three-to-two cleavage at once appeared, in which the new appointee, together with Chairman W. V. Van Fleet (a Harding selection) and C. W. Hunt (chosen by Coolidge) tipped the scale against the two remaining appointees of the Wilson régime—Huston Thompson (whose term expires in 1926) and J. F. Nugent (whose term ends in 1927). This alignment was manifested during the year in a number of dismissals

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of proceedings despite the vigorously expressed dissent of Thompson and Nugent, but especially in the adoption on March 17 and April 30 of procedural changes which seemed to promise a general policy of settling more cases by stipulation, with less publicity than formerly.

Controversy regarding appointments in the **Tariff Commission** dates especially from the submission to the President in July, 1924 of a recommendation that sugar duties be lowered under the flexible tariff proviso—a recommendation disapproved by him in June 1925 after nearly a year's silence. The original report was made by W. S. Culbertson (Rep.), E. D. Costigan (Prog.-Rep.), and D. J. Lewis (Dem.) against the opposition of Chairman T. O. Marvin (Rep.) and W. Burgess (Rep.) with H. H. Glassie (Dem.) restrained from voting by reason of family business interests. The term of D. J. Lewis ended in the middle of 1924 but he was continued under a recess appointment until March, when another Maryland Democrat, A. P. Dennis, was appointed and made Vice-Chairman. During 1925, also, Mr. Culbertson became Minister to Rumania (the sixth diplomatic appointment—rumor had it—offered to him), and the term of Mr. Burgess expired. E. B. Brossard of Utah and A. H. Baldwin of New York were given recess appointments in the spring but had not been confirmed at the end of 1925.[1]

The **Shipping Board** was seriously split by its decision in March—by a majority of one and in the face of the widely published dissent of the minority, Vice Chairman E. C. Plummer, Rear Admiral W. S. Benson and F. I. Thompson—to sell 5 vessels of the President type to the Dollar Line in the Pacific service for $5,625,000. On August 27 President Coolidge asked for the resignation of the member of the Board from the Pacific Coast, B. E. Haney, saying that when he had been given a recess appointment in June, it was with the understanding that he would not oppose the concentration of sales direction in the head of the Emergency Fleet Corporation. On August 28 Mr. Haney tartly refused to resign, denying such a pledge and even

[1] On December 29th, Commissioner Costigan was quoted as saying before the American Economic Association: "Within the last year, the United States Tariff Commission, taken as a whole, has ceased to represent disinterested and non-partisan independence. . . . A congressional investigation of the Tariff Commission under the flexible provisions would appear to be an indispensable forerunner of any legislative correction of the present little understood and regrettable situation. Pending such an investigation, confirmation by the Senate of the United States of new appointees to the Tariff Commission—including Commissioners Brossard and Baldwin—should be postponed. Until adequate assurances are made that the membership of the Tariff Commission will be safeguarded by law and will conform to the standards of disinterested public service it is fair to ask that no further appropriation for the commission's work be authorized by Congress." *N. Y. Times*, December 30, 1925.

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the right of the President to ask for one in connection with a theoretically independent commission.[1] Mr. Haney was not removed but on November 16 the President announced that he would not reappoint him.[2]

The issue of Presidential interference touched even the **Interstate Commerce Commission.** Controversy regarding the Interstate Commerce Commission concerned the alleged bias carried into the Commission by the President's new appointee, Thomas L. Woodlock, financial writer on the *Wall Street Journal.* Mr. Woodlock's name was submitted but not confirmed at the special session of the Senate. He was given a recess appointment on April 1. In December his name—coupled with that of R. V. Taylor of Alabama for a further vacancy created by the resignation of C. C. McChord—was submitted for confirmation, without being acted upon before the end of the year.[3]

STATE AND LOCAL AFFAIRS.—Regular sessions of the **state legislatures** [4] took place at some time during 1925 in all states except Alabama, Kentucky, Louisiana, Maryland, Mississippi and Virginia. In addition, special sessions were called in New York,[5] Washington

[1] *N. Y. Times,* September 1, 1925. On October 3, F. I. Thompson, Commissioner representing the Gulf States, resigned from the Board, making a statement denouncing " the present-day tendency to transfer authority to the executive department of the government, clearly intended by Congress in the Merchant Marine Act of 1920 to be lodged independently of the executive branch ".

[2] The act creating the Shipping Board provides, " Any commissioner may be removed by the President for inefficiency, neglect of duty, or malfeasance in office ". (39 Stat. 729.)

[3] The other commissions were not affected by appointments that involved policy. A vacancy in the Civil Service Commission, created by the death of Mrs. Helen Gardener, was filled by the appointment of Miss Jessie Dell, in government service for 25 years. Frank W. Mondell ceased to be a director of the War Finance Corporation, being replaced by F. R. Harrison, formerly Assistant to the Managing Director, Eugene Meyer, who has given unusual continuity to this temporary agency.

[4] See 1925 *Report of the Committee on Noteworthy Changes in Statute Law,* incorporated in the proceedings of the American Bar Association for 1925, but available in pamphlet form from Joseph P. Chamberlain (Chairman of the Committee), care of the Legislative Drafting Bureau, Columbia University, New York City. On labor legislation, see also *The American Labor Legislation Review,* December, 1925, vol. 15, no. 4, pp. 322-357. Compilations of each year's output of new state laws in the fields of health and of education are usually issued by the United States Public Health Service and the United States Bureau of Education, respectively.

[5] Called by Governor Smith to deal exclusively with the purchase of land for state parks, the special session met June 22-26. In the end it reasserted the position it had taken at the regular session, refusing to integrate control of appropriations in the state council of parks, and passed a bill which the Governor promptly vetoed.

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and West Virginia. A situation reminiscent of the 1924 deadlock in Rhode Island (*cf.* last RECORD, p. 79), developed in the State Senate of Indiana, when on February 25 fourteen members of the Democratic minority ran away into Ohio, in order to prevent the passage of a bill to redraw two Congressional districts, leading to a compromise agreement to drop the projected gerrymander.

Measures voted on in state and local elections. The rhythm into which our political system long ago fell, keeps the referendum nearly silent in the years when state legislatures have so much to say. Only 14 measures were submitted in state elections in 1925: 1 in Arizona; 1 in Kentucky; 3 in Ohio; 5 in Maine; and 4 in New York. Of the total number, 11 were constitutional amendments proposed by the legislature; 1 was a statute referred by the legislature; and 2 statutes referred by the filing of petitions. There were no initiative propositions. Regarding the time and conditions of submission, the proposition in Arizona was voted on at a special election on September 29; and in Maine the two referenda on petition were considered at a special election on December 7, the other three having been submitted in September, when Maine holds its general election. The degree of participation is hard to compute, since none of these measures were submitted at elections in which state-wide officers were being voted on. A comparison with the last vote for governor is, however, indicated in an accompanying table. In New York State, where members of the assembly were elected in 1925, the blank ballots on four important amendments varied from 27% to 29% of total number of votes in the election.

On the side of **governmental structure**, New York State, in the most important single amendment of the year, shortened the state ballot and directed that the administrative agencies shall be grouped by the legislature in not more than 20 departments (*infra*, p. 74). Fifty-two of 62 counties in the state were against it, and 29% of the ballots unmarked on the proposition, but Governor Smith's advocacy and New York City's majority pulled it through by 1,048,087 to 775,768. Rural opposition in Ohio, however, defeated a four years term for state and county elective officers; the vote was 325,451 to 543,183 against the amendment, which lost in every county except Hamilton (Cincinnati) and Cuyahoga (Cleveland). Even more timidity was shown in Kentucky, where, by a vote[1] of 80,127 yes and 85,387 no (and despite a 75% favorable vote in Jefferson County, containing Louisville), the voters disapproved an amendment which would have exempted the judges of the highest state court and the officers and school superintendents and high school principals in first

[1] Nine counties were "not reported" in the Secretary of State's printed tabulation. A question regarding the amendment has since been presented in the courts.

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TABLE OF CONSTITUTIONAL AMENDMENTS AND REFERRED MEASURES SUBMITTED TO POPULAR VOTE IN THE STATES, 1925

State	Nature of Proposition[1]	Subject	Action[2]	Vote		Total vote as % of vote for Gov., 1924 or 1923
				Affirmative	Negative	
Arizona[3] ..	C. A.	Workmen's Compensation	App.	11,879	9,078	27.6
	Ref. by Leg.[4]	Repeal of Fish and Game Law (L. 1925, ch. 6)				
Kentucky..	C. A.	Certain salaries may exceed $5,000 maximum	Rej.	80,127	85,387	25.7
Maine	C. A.	$3,000,000 bond issue for Kennebec River Bridge	App.	54,107	8,228	24.5
	C. A.	$16,000,000 bond issue for highways	App.	49,821	10,332	23.6
	Ref. by Leg.	Incorporating private company to engage in hydro-electrical development on Bay of Fundy (P. L. 1925, ch. 111)	Act Sus.	53,547	7,220	23.9
	Ref. by Pet.[3]	Forbidding "daylight saving" (L. 1925, ch. 57)	Act. Sus.	34,414	28,454	24.7
	Ref. by Pet.[3]	Regulating "Grade A" milk (L. 1925, ch. 200)	Act Rep.	19,607	38,056	22.7
New York.	C. A.	$100,000,000 bond issue for institutional buildings	App.	960,385	937,990	56.5
	C. A.	$300,000,000 bond issue for revolving fund to remove railroad grade crossings	App.	1,032,109	859,702	56.3
	C. A.	State administrative consolidation	App.	1,048,087	775,768	54.3
	C. A.	Revision of Judiciary Article	App.	1,090,632	711,018	53.6
Ohio	C. A.	"Pay as you go" policy for local indebtedness	Rej.	450,218	535,251	49.9
	C. A.	Tax classification	Rej.	435,944	501,221	47.4
	C. A.	4 year term for state and county elective officers	Rej.	325,451	543,183	44.0

[1] Abbreviations: C. A., for Constitutional Amendment; Ref. by Leg., for Act Referred by Legislature; Ref. by Pet., for Referendum by petition.

[2] Abbreviations: App., for Approved or Adopted; Rej., for Rejected; Act. Sus., for Act sustained on referendum; Act. Rep., for Act repealed on referendum.

[3] Submitted at special election.

[4] This proposition, although printed in the publicity pamphlet, was withheld from the ballot until 1926 by order of the attorney general, since the enactment itself specified submission at the next *regular* election.

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class cities from the $5,000 salary maximum at present ordained by constitution for every office except governor. In New York State a little understood, essentially technical revision of the judiciary article of the Constitution was adopted by 1,090,632 to 711,018, with adverse majorities, however, in 45 of 62 counties and with 29% of the ballots unmarked.

In the field of **finance**, two significant proposed amendments in Ohio (favored by practically every organization although frowned on by the Governor) fell victim to rural displeasure. One of these would have permitted tax classification, keeping the "uniform rule" for real estate and tangible personal property, while providing that "all moneys, credits, bonds, stocks, and all other intangible property shall be taxed as may be provided by law." This was defeated by 435,944 to 501,221. The other financial amendment in Ohio would have established a "pay as you go" plan for all local political subdivisions, preventing borrowing for improvements with a prospective usefulness under five years and limiting the duration of indebtedness in other cases to "the probable period of usefulness of such property or improvement." This, too, lost—by 450,218 to 535,251. The first-named amendment received a majority only in 14 counties, the second only in 12; both found their strongest support in the counties containing the state's largest cities, Cleveland and Cincinnati. Important bond issues were approved elsewhere in 1925. In New York State, C[illegible]mith's earnest advocacy and the again favorable majorities of New [illegible] City and Buffalo managed to carry an amendment authorizing borrowing up to $100,000,000 for the rehabilitation of the State's institutional buildings, and another which provided a revolving fund of $300,000,000 for the removal of railroad grade crossings by a plan that eventually divides the expense between the State, the locality, and the railroad concerned. The buildings amendment, openly campaigned against by the Republicans, barely passed, receiving 960,385 votes to 937,990, with adverse majorities in 56 of the 62 counties; the second, meeting an undercurrent of Republican opposition, passed by 1,032,109 to 859,702, losing in 51 counties; about 27% of the ballots were blank on both propositions. Maine, by 49,821 to 10,332, approved a restricted $16,000,000 serial bond issue maximum for highways and bridges; and also, by 54,107 to 8,228 a separate amendment authorizing $3,000,000 for a bridge across the Kennebec.

The issue of **hydro-electric power**, now beginning to attract so much attention in referendum elections (*cf.* last RECORD, p. 82), was presented from a new angle in the referendum ordered by the legislature of Maine on its act (Private and Special Laws of 1925, ch. 111) incorporating D. P. Cooper (a hydro-electrical engineer) and other persons and authorizing them—subject to international agreement, state regu-

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lation, etc.—to exploit the tides of the Bay of Fundy. The act was sustained by 53,547 to 7,220.

As regards **social legislation**, the only important measure submitted was the workmen's compensation amendment in Arizona, which is advanced in terms, prescribing a state-fund system and requiring that the rates of compensation named in an act which the legislature had passed in anticipation (ch. 83) should not be lowered unless by referendum. This amendment was approved by 11,879 to 9,078.

Local referenda on bond issues especially, but also on tax-levy questions, referred ordinances, charter amendments, etc.—are so numerous, especially in a year of municipal elections like 1925, that summary and illustration are alike futile.[1] The adoption of new forms of local government are dealt with below (p. 75). The most important question of social policy was undoubtedly that involved in the submission to the voters of Chicago at the regular municipal election on April 7 of an ordinance (urged by Mayor Dever and passed by the city council on February 27 by a vote of 40 to 5), providing for the acquisition of street railway and elevated lines and for the construction of subways, and with it, of the question, "Shall the City operate?". The ordinance itself was defeated by 227,033 to 333,759, and the question of city operation negatived by 225,406 to 333,190. At the November election, San Francisco rejected a proposal to purchase the Market Street Railway for $36,000,000. In Milwaukee on April 7 the voters defeated a cost-of-service scheme which would have involved operation of the traction lines by a neutral board of control. In Detroit a rapid transit proposal was approved on November 3 by 141,991 to 51,332, with 76% of those voting for mayor recorded on the question. A question submitted on the Los Angeles ballot—interesting both procedurally and in substance, since it hints at the growing necessity for the establishment by agreement of regional *ad hoc* governments—asked the voters whether they favored the early enactment of a state law to permit Southern California cities voluntarily to form a Metropolitan Water District to secure a domestic supply from the Colorado River.[2]

[1] Their frequency is suggested by the following examples of the number of local propositions of all kinds which appeared on municipal ballots in 1925 in certain cities: Detroit, 6; St. Louis, 2; Los Angeles, 9; Kansas City, 25; and, among cities under 250,000, Dayton, Ohio, 8; and Fort Worth, Texas, 7—in all, for these six cities, 57 questions, of which 27 received a majority of those voting thereon.

[2] The vote was: yes, 85,933; no, 12,469.

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The reorganization of **state administration**[1] advanced by notable strides in New York and Minnesota, and by half a step in South Dakota. The outstanding achievement was of course the ratification in **New York**, by 1,048,087 to 775,768 (*cf.*, p. 70), of a constitutional amendment which eliminates the secretary of state, treasurer and engineer and surveyor as elective state officers (leaving only the governor, lieutenant-governor, comptroller and attorney general on the ballot) and which names twenty departments under which the legislature must group all agencies now existing or to be created in the future.[2] Reorganization in **Minnesota** on the other hand was accomplished merely by statute, passed after a sharp struggle in the legislature; it establishes an administrative council (comprising the elective officers) and 13 departments.[3] A partial reorganization took place in **South Dakota** (ch. 115): 9 agencies were consolidated in a department of finance and 18 in a department of agriculture. **Illinois** (p. 585) although not renouncing the principle of its administrative code of 1917, deemed it advisable to increase the 9 departments to 11, adding a department of purchases and construction and a department of conservation. The now widely extended device of the **executive budget** was introduced in North Carolina (ch. 89) and Kansas (ch. 260)—although here with a joint legislative committee to report the bill—and was improved in detail in Washington (ch. 29)

[1] See A. E. Buck, "Recent Steps toward Administrative Consolidation in State Governments", *National Municipal Review*, November 1925; vol. 14, pp. 672-680.

[2] These departments are: (1) executive, (2) audit and control (headed by elective comptroller), (3) taxation and finance, (4) law (headed by elective attorney general), (5) state, (6) public works, (7) architecture, (8) conservation, (9) agriculture and markets (head to be chosen in manner fixed by law), (10) labor, (11) education (head appointed by regents, who are chosen by legislature), (12) health, (13) mental hygiene, (14) charities, (15) correction, (16) public service, (17) banking, (18) insurance, (19) civil service, and (20) military and naval affairs—all to be headed, except where noted, by appointment of the governor with the consent of the senate.—Anticipating the approval of the amendment, an advisory commission was authorized to frame legislation to carry out the amendment; it began to act in November under the chairmanship of Charles E. Hughes.

[3] Ch. 426, approved April 25, effective July 1, 1925. The departments are: (1) administration and finance (headed by an appointive commission consisting of the comptroller, commissioner of the budget, and commissioner of purchases, with six-year terms), (2) conservation, (3) dairy and food, (4) agriculture, (5) highways, (6) education, (7) health, (8) commerce, (9) labor and industry, (10) public institutions, (11) taxation, (12) rural credit, and (13) drainage and waters. The principle of the single head is not consistently followed.

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and Idaho (ch. 122).[1] While departmental consolidation and the executive budget were thus advancing, their assumed corollary—the lengthening of the **governor's term**—made no progress, meeting defeat in Ohio by 325,451 to 543,183.

In the field of local government, **constitutional home rule** in New York State—threatened especially by the allegation of procedural defects in the passage of the amendment—was sustained by the highest court.[2] Wisconsin passed legislation (ch. 198) pursuant to the amendment adopted in 1924. The now commonplace spread of the **city-manager plan**, although relatively slower than in previous years,[3] was signalized by the acquisition of two cities over 300,000—Kansas City, Mo.,[4] and Rochester, N. Y.[5] In Seattle (315,312) the manager

[1] The legislative type of budget, however, was established in Indiana (ch. 29) and the commission type (with all elective state officers included) in Florida (ch. 10034).

[2] *Browne* v. *City of New York,* and *Schieffelin* v. *Mills,* 241 N. Y. 96, ending the uncertainty caused by the action of the Appellate Division in holding the amendment defective (213 N. Y. App. Div. 206, July 6, 1925). See J. D. McGoldrick, "Home Rule in New York State", *American Political Science Review,* Nov. 1925, vol. 19, pp. 693-706.—The Arkansas amendment on this subject in 1924 (*cf.* 1924 RECORD, pp. 82, 83, 84) was held void by the State supreme court in *McAdams* v. *Henley,* 273 S. W. 355 (June 29, 1925) on the narrowly procedural ground that it had not been "entered on the journal with the yeas and nays". In a prior case, *Brickhouse* v. *Hill,* 268 S. W. 865 (Feb. 16, 1925), the court—reversing its old rule regarding the majority necessary to amend—had held that the three amendments submitted in 1924 were valid despite the fact that they did not receive a majority of those voting in the election.

[3] Apart from Kansas City (estimated population in 1925, 367,481) and Rochester (1925 state census, 316,786), the city-manager plan was adopted in 1925 in Ironwood, Mich. (15,739), Johnson City, Tenn. (12,442), Covington, Va. (5,623), Monterey, Cal. (5,479), Manistique, Mich. (6,380), and, among still smaller places, Compton, Cal., Fort Meade, Fla., LaCrosse and Sterling, Kans., Keansburg, N. J., Chandler and Edmond, Okla., and Mexia, Tex.

[4] The new charter was adopted on February 24 by 37,504 to 8,827 (with the total vote about 40% of the number who subsequently voted for mayor in November), and goes into effect April 10, 1926. It provides for a popularly elected mayor, for a council of 9, and for a city-manager chosen by the latter. *Cf.* Walter Matscheck, "Kansas City Adopts the Manager Plan", *National Municipal Review,* April 1925, vol. 14, pp. 207-8. *Cf.* also, *supra,* p. 48.

[5] A carefully considered charter was passed on July 28 under the home-rule grant as a "local law" and (after a vigorous educational campaign) was submitted to the voters at the general election on November 3. It was adopted by 39,020 votes to 25,903, but with 31,654 ballots (32.8% of the total) blank. The new plan provides for a council of 9-5 elected at large and 4 from as many districts, with partial renewal and non-partisan double-elections—which chooses a titular mayor and a city-manager. The charter will go into effect January, 1928.

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plan met its most signal but not its sole defeat in 1925.[1] Proportional representation, in association with the city-manager government, was forced to run the gauntlet but was sustained in Cleveland[2] and Boulder, Colorado.[3] An appointment of especial interest was the choice of Col. Clarence O. Sherrill (Director of Public Buildings and Parks in Washington) to be the first manager of Cincinnati.

The introduction of unified executive control in the field of **county government** met a setback in the rejection of two county charters in New York State—framed under legislative authority by local commissions and submitted to local referendum—that of Westchester County failing by 28,715 to 34,346, and that of Nassau County (also contiguous to New York City), by 8,654 to 18,507.

IV. LATIN AMERICA

THE TACNA ARICA QUESTION.[4]—A Protocol of Arbitration was signed in Washington, May, 1922, by representatives of Chile and Peru, to carry out certain provisions of the Treaty of Ancon (October 20, 1883). This treaty concluded the so-called War of the Pacific between Chile on the one side and Peru and Bolivia on the other side, which had resulted from the attempt by Bolivia to collect a heavy tax on certain concessions granted to Chile in the nitrate fields of Atacama. By the Treaty of Ancon Peru ceded to Chile the Province of Tarapacá and by the Treaty of Valparaiso with Bolivia, Chile obtained Atacama. Thus Bolivia lost her outlet to the sea and the wealthy nitrate fields. Article 3 of the Treaty of Ancon provided

[1] The question was submitted through an initiative charter amendment at the general municipal election on March 10. 47.0% of those registered voted in the election (at which councilmen were chosen), and of these, 88.5% voted on the proposed charter, which lost by 22,789 to 27,308. See M. H. Van Nuys, "Seattle's Vote against the City Manager Plan", *National Municipal Review*, June 1925, vol. 14, pp. 340-2. During the year, city-manager charters were also rejected in Yonkers, N. Y. (113,647) on May 29 by 9,279 to 5,603 (the total being 48.0% of the vote for mayor in November); Schenectady, N. Y. (92,786), Sioux Falls, S. D. (25,202), Naugatuck, Conn., (15,051), Bartlesville, Okla. (14,417), Emporia, Kans. (11,273), Arkansas City, Kans., (11,253), Columbia, Mo. (10,392), Carthage, Mo. (10,068), Grafton, W. Va. (8,517), St. Charles, Mo. (8,503), Saco, Me. (6,817), Ocean City, N. J. (6,500), and, among still smaller places, Burlington and Bonner Springs, Kans., and Chadron, Nebr.

[2] At a special election, Aug. 11, on a charter amendment that proposed to supplant proportional representation in the election of the council by plurality election in 33 single-member wards. The proposal failed by 20,353 to 20,918—the total being 41.4% of the number who voted for council candidates at the general election in November.

[3] Nov. 3, by a majority unofficially said to have been 425.

[4] For fuller account see *Amer. Jour. of Intl. Law*, vol. XIX, pp. 393-432.

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that "the territory of the provinces of Tacna and Arica . . . [here follow the geographic limits] . . . shall continue in the possession of Chile subject to Chilean laws and authority during a period of ten years, to be reckoned from the date of the ratification of the present treaty of peace. After the expiration of that term [1] a plebiscite will decide by popular vote whether the territory of the above mentioned provinces is to remain definitely under the domination and sovereignty of Chile or is to constitute a part of Peru. That country of the two, to which the provinces of Tacna and Arica remain annexed, shall pay to the other ten million pesos of Chilean silver or of Peruvian soles of equal weight and fineness. A special protocol, which shall be considered an integral part of the present treaty, will prescribe the manner in which the plebiscite is to be carried out and the terms and time for the payment of the ten millions by the nation which remains the owner of the provinces of Tacna and Arica." The Protocol of Arbitration which was presented to the late President Harding and acted upon by President Coolidge provided for arbitration of the pending questions under Article 3 by the President of the United States who shall decide "finally and without appeal, hearing both parties and after due consideration of the arguments and evidence which they may adduce." A supplementary act accompanies the protocol and provides, not only for the arbitration, but, in a specified contingency, for the good offices of the government of the United States. The Arbitrator's first task was to determine whether paragraphs 2 and 3 of Article 3 were still in effect. This was necessary because of the Peruvian claim that, for several reasons, the article was no longer valid and a plebiscite should not be held. The Arbitrator ruled that there was no evidence of bad faith on the side of either party and that failure to come to an agreement in the preceding years (since 1894) had been caused by unavoidable differences of opinion and not as Peru claimed, by any desire of Chile to avoid the issue by obstructing a plebiscite. The controversies between the two countries in their earlier efforts to reach an agreement centered around two main points: Peru claimed that Tacna and Arica had always remained under the sovereignty of Peru even though administered by Chile; and the contestants disagreed regarding the nature of the authority conceded to Chile by the treaty. The Arbitrator ruled that it was "inescapable that the territory continued subject to Chilean laws and authority" since there were no definite provisions in the treaty for the contingency which arose. In presenting her claims to the Arbitrator, Peru made three definite accusations against Chile: first, Chilenization of the provinces; second, the subsidized introduction of

[1] *Expirado este termino* in original text. Literally translated, "expired this term".

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Chilean citizens; third, the dispersion of Peruvians. The Arbitrator found that "as a matter of law these acts were within Chile's right under the treaty, or that there was not sufficient evidence to show that they were in fact committed." A plebiscite was to be held in Tacna and Arica. The province of Tarata was ceded outright to Peru and has already been delivered to her. This award was received enthusiastically by the Chileans because, as President Leguia of Peru put it, "the Arbitrator seemed to justify the moral position of Chile." In Peru there was almost universal condemnation of the award and a memorial was sent to the Arbitrator on April 2 suggesting that the translation of the Treaty which he had used was misleading. President Coolidge, replying on April 10, called attention to the fact that he had used the Peruvian translation. The North American colony in Lima sent a protest to the Department of State which received, however, no action. General John J. Pershing was appointed head of the Plebiscitary Commission, Sr. Augustin Edwards, former president of the Assembly of the League of Nations, was appointed to represent Chile, and Sr. Manual Freyre de Santander to represent Peru. The commission met August 5 in Arica, all three parties being accompanied by large staffs of experts. The real difficulties then began. Very few commentators on the question seem to take into account the most vital factor which is forestalling the peaceful settlement of this thorny question. Both countries have the same language, the same religion, the same cultural background, and yet there are in this struggle two distinct nationalities whose nationalism is as extreme as that which exists in Germany and France. Cabinets and presidents in the two republics rise and fall according to their attitude on this question. It is this element of nationalism which makes the task of the head of the commission most difficult. General Pershing has been subject of much criticism by the Peruvians for not giving sufficient guarantees for a fair and just plebiscite and by the Chileans for demanding too many guarantees and for delaying the fixing of a date for the plebiscite. The Chileans also accused him of postponing the plebiscite with the purpose of aiding the Peruvian cause. It would seem, from the latest reports, that the situation is more serious than is revealed on the surface or by the American press. There are persistent rumors of a possible withdrawal of the Arbitrator and of an outbreak of war. On December 31 it was reported that General Pershing was returning to the United States for reasons of health. Previous to this the Chilean representative withdrew. Chile has appealed over the head of the President of the Plebiscitary Commission to the Arbitrator for his assistance in untangling the knots which impede the peaceful progress of the negotiation. *La Prensa* of Buenos Aires (November 30, 1925) frankly blames the United States for failing to adjust the difficulties,

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saying, furthermore, that the United States and its representatives do not understand the character of the people with whom they are dealing. The appointment by the newly elected President Figueroa of Beltran Mathieu, for many years the Chilean Ambassador to Washington, to the portfolio of Foreign Affairs, is significant. Up to December 31 the nature of the appeal of Chile to the Arbitrator had not been made known. The situation seems to be a deadlock between the head of the Plebiscitary Commission and the representatives of Chile and Peru.

OTHER AFFAIRS.—By the end of 1925[1] **government finances** throughout Latin America, with the exception of Honduras, were on a better and sounder basis. Many of the countries boasted of surpluses in their respective treasuries and foreign exchange slowly improved. New constitutions were adopted in both Chile and Venezuela. The **Chilean constitution** embodies many of the liberal reforms sought by President Alessandri. Its main purpose was to limit the power of the great Chilean landowning aristocracy which has had the reins of government in its own hands rather consistently for several generations. In fact, President Alessandri might be called the first popular president of Chile. He not only represented the interests of the middle class and of labor but he himself comes from the middle class. Early in January he returned from a six months' period of exile to resume his office, and on September 29, a few months before the legal end of his term, resigned the presidency. The new constitution was accepted by a popular plebiscite held August 31. The **constitution of Venezuela**, though simpler and more mature in form than her previous ones, increases the power of the president. **Elections** took place in many Latin American republics. In **Brazil**, the progressive ex-president of the state of São Paulo, Dr. Washington Luiz, was nominated by the National Convention held in Rio, and since no other candidate has been proposed it is believed he will assume the presidency next March. Dr. Emiliano Figueroa, a very able and experienced statesman, was elected president of **Chile**. The election in **Bolivia** was annulled by the dictator, President Saavedra, who continues in power. **Honduras**, under President Barahona, who assumed office in February, seems to be enjoying an unprecedented era of peace. President Calles of **Mexico** has had no outstanding difficulties. The agrarian question is still bothersome and President Calles has made repeated promises to continue the distribution of land. At the very close of the year the old controversy with the United States regarding Article 27 and American property rights was revived by new legislation affecting alien land and oil properties. The American marines stationed in **Nicaragua** since

[1] Special report U. S. Dept. of Commerce (Dec.).

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1912 have at last been recalled.[1] The **Brazil-Peru-Colombia boundary dispute** was settled by a procès-verbal in Washington and was signed by Secretary Hughes and the representatives of the three countries. A **United States–Santo Domingo Convention**[2] was ratified January 21 by the United States Senate and on May 23 by the Dominican Republic. This treaty provides for a $25,000,000 loan, for the refunding of previous loans, and for the appointment of a general receiver of Dominican customs until full payment is made. It also provides for the withdrawal of the American military forces. The Cuba–United States Treaty regarding the **Isle of Pines** was ratified after twenty years of discussion in the United States Senate on March 13.[3] The island was finally ceded to Cuba as an appurtenance of the Cuban coastline.

V. THE BRITISH EMPIRE

GREAT BRITAIN.—Mr. Baldwin's Conservative Government began the year with tremendous advantages. The election (*cf.* last RECORD, p. 113) had given the Tories the largest majority (with one exception) since the Reform Bill of 1832—419 out of 615 members of the House of Commons. The Labor party was severely shaken by its losses in the election, which it had deliberately decided to hold; there were differences between its left and right wings, and the Liberals were almost annihilated. Moreover, the Labor party had governed so adequately that in internal affairs there were no grave abuses to be corrected, while in international politics Mr. MacDonald had achieved astounding successes. The great bulk of the press, furthermore, was on the side of the Government.

At first, the principal interest in the new Government was focused on **foreign policy** and financial affairs. Mr. Austen Chamberlain, Secretary of State for Foreign Affairs, almost at once seemed to reverse the policy of pacification which Mr. MacDonald had espoused. In the Egyptian crisis Mr. Chamberlain used a mailed fist; in the Opium Conference at Geneva he instructed the British delegates to take an attitude which was not altogether generous; he reversed the Labor Government's policy on Singapore; he refused to evacuate Cologne, and treated the Protocol with scant ceremony. These acts were forgotten, however, after Locarno, which was by all odds the most conspicuous success of the Conservative Government, and which brought Mr. Chamberlain (later Sir Austen) immense prestige (*cf.*, p. 6).

[1] *Amer. Jour. of Intl. Law,* vol. XIX, pp. 579-581.

[2] *Pan American Union Bulletin,* April 1925, p. 405.

[3] *Congressional Record,* January 24, 26, 1925, pp. 2494, 2547.

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In **financial policy**, the principal question related to the measure of protection which the Conservative Government was introducing. At the election of 1923 the country had given a decisive verdict for free trade, and in the budget of 1924 Mr. Philip Snowden, the Chancellor of the Exchequer, had carried out this mandate by abolishing or reducing most of the preferential or protective duties which had been adopted from 1915 to 1923. In the 1924 election, Mr. Baldwin had made many promises of economy; but when his Government's estimates were brought forth in February and March 1924 they totaled 799,000,000 pounds—9,000,000 more than the Snowden estimates of the preceding year. This expenditure had to be increased later because of the coal subsidy, which, it was estimated, will cost 19,000,000 pounds to the end of the financial year (March 31, 1926). In the 1924 election Mr. Baldwin had said protection would not be introduced, but that certain important industries would be "safeguarded," a different thing from "protection." When Mr. Churchill's budget was brought forward, however, the old McKenna duties were reimposed and new "safeguarding" or "protective" duties were imposed on silk and artificial silk goods, foreign hops, and other articles. The income tax and the supertax were reduced, and the death duties were increased. Mr. Churchill in his budget speech on April 28 announced that Great Britain was returning to the gold standard (*cf.*, p. 35).

The Conservative Government was always able to muster an impressive strength for its policies. On December 15, 1924, the House defeated by 363—132 the Labor amendment to the Address condemning the Government's Egyptian and Russian policies. Two days later a Liberal amendment was defeated by 339—151. It characterized the Government's imperial preference policy as "dishonest." The parliamentary session which began in February continued to August 8, was adjourned to November 16, and was then in session until December 22, when Parliament was prorogued until February, 1926. **Education** was the only important matter on which the prestige of the Government was shaken. Circular #1371 of the Minister of Education reduced grants to local authorities for the schooling of young children, and there was such a storm of protest that its effective date had to be postponed, which really meant that it will not be revived.

The principal **social legislation** passed by the Government was the Widows', Orphans' and Old Age Contributory Pensions Act 1925 (15 & 16 Geo. V., c. 70). It provides for pensions to the widow of an insured man at the rate of 10*s.* per week, with an additional allowance of 5*s.* for the oldest child and 3*s.* each for other children under the age of fourteen; and to orphan children at the rate of 7*s.* 6*d.* per week. Old age pensions are paid to an insured man or an insured woman who has attained the age of 65 but has not attained the age of 70, and to the wife of an insured man who has attained the age of 65

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(such wife being 65) at the rate of 10*s.* a week. Contributions to this scheme are divided as follows: in the case of men, 50% by employers, and 50% by employees; in the case of women, employer 2½*d.* and employee 2*d.* in the first ten years and pro rata in subsequent years. It was argued by the Labor party that the benefits provided were below the poor law schedule; that a widow with two children would receive only 18*s.* and that before the passage of the Act many Guardians gave 26 or 30*s.* in such a case. The Unemployment Insurance Act 1925 (15 & 16 Geo. V., c. 69) provided that in the future the Minister could authorize the payment of uncovenanted benefit, and reduced the contributions payable in respect of both men and women by 2*d.* a week.

Up to the adjournment of Parliament in August, 69 **statutes** were passed. Before the Easter recess the more important laws related to the payment of a subsidy on British sugar, housing and town planning. After the Easter recess, Government bills became law applying to the administration of justice, agricultural returns, dangerous drugs (to carry out the provisions of the Opium Convention signed at Geneva on February 19, 1925) removal of disabilities from former alien enemies, guardianship of infants, the gold standard, the improvement of roads and domestic relations.

It is interesting that of the additions to the statute book in 1925, a number were initiated by private members. Thus local authorities may restrict the exhibition of advertisements "which would disfigure rural scenery or the amenities of a village or historic building;" the records of a dramatic or musical performance may not be manufactured or distributed when the consent of the performer has not been obtained; professional firemen are to be compulsorily retired on pension at the age of sixty; it is a misdemeanor to give or to accept money or other valuable consideration in respect of the grant of a dignity or title of honor to any person; defectives may be removed from institutions for the purpose of being placed under guardianship; no person shall be disqualified for being on a borough council on account of the fact that he is in holy orders or a regular minister of a dissenting congregation; all trainers and exhibitors of performing animals must register and the courts have power to restrict training or exhibition in cases of cruelty; it is illegal to employ as decoys live birds secured by appliances or blinded or maimed; theatrical employers must be registered. There were also private members' bills that became law relating to wireless telegraphy; amendments of the widows', orphans' and old-age contributory pensions act; amendments to the unemployment insurance act; the manufacture, sale and importation of therapeutic substances, and false statements as to the class of seed potatoes. As this enumeration shows, the activity of private members was rather greater than usual.

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Conferences of the three political parties indicated the lines on which issues would be drawn in the future. The **Liberal party conference** was held in London on January 29. The Earl of Oxford and Asquith (who had lost his seat in the elections of 1924 and who had been raised to the peerage) declared that "the Liberal party" was "now again on its feet, revitalized, and as loyal and effective as ever to the cause of the democratic principles which have always been the foundation of the British character." The most important Liberal policy was disclosed on September 17, when Mr. Lloyd George made an elaborate speech at Killerton dealing with the land problem. In October the Report of the Land Inquiry Committee of the Liberal party was published.[1]

The **Conservative party congress** held at Brighton (October) adopted numerous resolutions. The most important one related to the House of Lords. Mr. Baldwin told the conference that "there is one matter on which the Government are pledged to take action, and which is now engaging the attention of a Cabinet Committee—the reform of the House of Lords. We are carefully comparing the merits of all schemes which have hitherto been produced. We hope before the close of the present Parliament to introduce a scheme and give effect to it." That the Conservative party will use its large majority to attempt this seems certain; and it is probable also that a reform of the House of Lords which will repeal the Parliament Act of 1911 and enable the upper chamber to act as a bulwark against socialistic legislation will be the most crucial and bitterly contested issue of English politics in future elections. The Conservative party also voted for the Government to proceed with the amendment of the Trade Union Act of 1913 and give a legal right of exemption to individuals who do not wish to subscribe to Labor party funds. At present subscriptions are very nearly compulsory, although a return to the House of Commons in February showed that the registered trade unions contained 2,227,747 members who paid the political levy, and 245,150 who obtained the exemption. Mr. Baldwin, in March, 1925 however, forced the abandonment of a private member's bill dealing with the political levy, and following the Brighton meeting he carried on an acrimonous correspondence with certain Conservative members who desired action.

The **Trade Union Congress** met at Scarborough (September 7) and refused to give the General Council authority to declare a general strike in support of an individual union. The Congress approved the organization of a new international federation of trade unions, which would include the Russians. At the Conference of the British Labor party at Liverpool, the latter part of the same month, the Com-

[1] *The Liberal Magazine,* November 1925, p. 657.

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munists were completely routed. The party by an overwhelming vote refused to reconsider its decision of 1925 that the Communists should not be permitted to affiliate with the Labor party. Considerable dissatisfaction was voiced by representatives of the Left that the Conference did not go on record in more definite terms for advanced positions in respect of such matters as imperialism, international peace and nationalization. At a meeting of the **Parliamentary Labor party** in December the left wing proposed the adoption of obstructionist tactics, similar to those used by the Irish Nationalists. Such tactics had been to a large degree successful, and even increasingly severe forms of cloture did not suffice to make useless this weapon of delay. It was pointed out, however, that the problem of the Labor party was different from that of the Irish Nationalists; that the success of the Labor party's program was dependent upon the education of the country, and that this could not be secured by purely negative tactics. When the Parliamentary executive was elected late in December, eleven were moderates, and one member, George Lansbury, represented the left wing. If therefore, obstructionist tactics are resorted to, they will be without the approval of the Labor front bench.

Municipal elections held in London and provincial cities on November 2 resulted in great gains for the Labor party. Labor secured 88 new seats on borough councils, and 47 new provincial seats, chiefly in the industrial sections of the North. Majorities were obtained on two new councils, and Labor kept control of 6 boroughs previously won.

Few **constitutional questions** were raised in England during the year. On June 11, Mr. Baldwin announced to the House of Commons the creation of a new office—that of Secretary of State for the Dominions (*cf.*, p. 86). The House of Lords in May defeated a bill which would have permitted peeresses in their own right to sit and vote in that chamber. The Government opposed the measure on the ground that the admission of women to the House of Lords should not be dealt with separately, but should come up as part of a general scheme for the reform of the upper chamber. On November 18, the House of Commons ratified the Locarno agreements by passing a motion "that this House approves the ratification of the treaty of mutual guarantee initialed at Locarno on October 16, 1925, and annexed to the final protocol signed on that day." From the constitutional standpoint this was important, since in legal theory foreign policy in England is a matter of executive concern. Treaties or other agreements need not be submitted to the House of Commons before they are ratified. The Labor Government during its tenure of office announced that it would permit a discussion of, and if desired, a vote on, every treaty before it became binding, but Mr. Chamberlain on taking office announced that the Conservative Government reserved

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the right to follow a contrary course. The Treaty of Versailles was ratified by Parliament, and the proposed Anglo-American Guarantee to France contained a clause that it should be effective only with parliamentary approval. Mr. Chamberlain's action in respect of the Locarno agreements was therefore another incident in an increasing power that the House of Commons will assert over foreign policy and international engagements.

The threatened strike of the coal miners in July and the possibility that the trouble would spread to the railwaymen and transport workers raised difficult **labor problems.** These were settled temporarily by a Government subsidy to the coal industry in order to postpone the reduction of wages, and the appointment of a Royal Commission to discover the facts and make recommendations for action by Parliament. The solidarity of British Labor, which was displayed by this crisis, led to an examination of the constitutional powers that the British Government would have in an emergency. During the summer, an Organization for the Maintenance of Supplies was created with the approval of the Home Secretary. The O. M. S. has enlisted volunteers who undertake to maintain and protect the public service in an emergency, and to enroll as special constables. The Labor party has denounced this organization as a step toward organized Fascism. In November twelve Communists were convicted on charges of sedition and of "inciting divers persons to commit breaches of the Incitement to Mutiny Act (1797)." This statute had almost been forgotten. In 1797 Parliament had legislated for rather definite purposes, and it was the manner, even more than the fact of the Communist prosecutions that stirred up a considerable controversy over the propriety of the Government's action.

THE DOMINIONS IN THE BRITISH EMPIRE.—The general international situation throughout 1925 emphasized the vexed problems of unity in diplomacy and foreign policy in the British Commonwealth of Nations. Mr. Ramsay MacDonald in June, 1924, had attempted to bring about a conference of the Dominions to discuss imperial relations, but in December, Mr. Amery, Colonial Secretary in the Baldwin Government, stated that the Government were doubtful of the desirability of a conference without further study of the questions that had been raised, but indicated that personal consultation with Dominion Ministers or special representatives would meanwhile be welcomed. A special conference of the Dominions was proposed in connection with the Geneva Protocol but refused, and the Protocol itself was rejected by them (*cf. supra*, p. 3). The problem of imperial relations is involved in the **Locarno treaties.** Article 9 of the main treaty reads: "The present treaty shall impose no obligation upon any of the British Dominions, or upon India, unless the Government of such Dominion, or of India, signifies its acceptance thereof."

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For such procedure there are, since 1918, only three vague precedents: the proposed Anglo-American Treaty of Guarantee to France, the MacDonald treaties with Soviet Russia, and the Egyptian negotiations. The former two were not ratified and the latter were of secondary importance to the Dominions. Article 9 runs counter to the efforts for unity in diplomacy and policy notable on half-a-dozen outstanding occasions since the days of the Imperial War "Cabinet."[1]

The problem is obvious, but difficult, and complicated by the differing status of the Dominions in international law and in the League of Nations. Locarno has opened for the Commonwealth the way to a divergence in political international relations similar to that which already exists in commercial matters.[2] Yet when the United Kingdom is at war the whole Empire is open to attack, and in the Council, if not in the Assembly of the League, the British representative speaks for the Empire. The situation elicited a pessimistic speech from General Smuts at Pretoria on November 11, and Sir Robert Borden revived the practical proposal that the Empire's representatives to the League meet in London first for consultation, thus establishing an annual discussion of foreign policy. In general, however, the Dominion governments at present show no signs of energetic interest in the matter. The most important suggestions during the year appeared in a series of special articles in *The Times* (London), Feb. 2-6. Briefly, they were that the Dominion High Commissioners in London become ambassadorial and deal directly with the Foreign Office, their commercial duties going to other officials, while the United Kingdom should send equally accredited representatives to the Dominions to supplement the narrowly limited Governors-General. On June 11 one official change of importance was made in the creation of a **new Secretary of State for the Dominions.** This implied a new department, though Mr. Amery holds both his old (Colonies) and the new portfolios. Had Mr. Baldwin seen fit to take the latter, the Lloyd George policy of direct communication between prime ministers would have been usefully reaffirmed. The Australian Government in January announced the appointment of a special diplomatic representative in London with a corresponding secretariat at home. In politics **Canada** has come through a lively year. Nova Scotia in June went almost solidly Conservative after forty-two years of Liberal administration. New Brunswick followed suit in August by giving the Conservatives 36 out of 48 seats. The results reflect the stubbornly bad economic position of the Maritime Provinces since the war, the effects of the

[1] Parliamentary Papers dealing with Protocol and Pact are Cmd. 2368, 2429, 2435 and 2458.

[2] For an explanation by the British government, see the Earl of Balfour's speech, *The Times* (London), Nov. 25, 1925.

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Fordney tariff, and discontent with federation. Saskatchewan in June went Liberal (51 seats of 63) under Mr. Dunning and proved that Mr. King had at least won the support of the grain growers. The story of the Dominion Parliament is much less conclusive. Mr. King with the aid of some Progressives had a narrow majority, but his program in general failed. He presented a report on Atlantic shipping rates which presumably was to be the justification for subsidization (at $1,375,000 per annum) of ten vessels to operate from Canadian ports. The report was rudely handled in the House, and in March the subsidy contract was buried in special committee. Senate reform was another project which failed, owing to the expressed objection of the Quebec Legislature to a conference of the Provinces for discussion of the necessary constitutional amendment. Finally, although the House had another year of life, a general election was announced. This was held on October 29 after special efforts had been made in the West where it was felt that Progressive weakness made most change possible. The Liberals appealed to their record and their low tariff. The Conservatives condemned both and advocated high protection. The result (Liberals 101, formerly 117; Conservatives 118, formerly 49; Progressives 23, formerly 61) was alarmingly sectional and most unsatisfactory, no party having a majority. Liberal, but protectionist, Quebec is an unreliable partner for the Progressive free-trade Prairie, but Conservative protectionists from the Maritime Provinces, Ontario, and British Columbia would probably be impossible in the same rôle. Eight of the Cabinet, including Mr. King, were defeated, the only woman member was re-elected, the Conservatives in spite of great and unusual efforts chipped only four seats from the "solid 65" Liberal block in Quebec, and Mr. Bourassa, the French-Canadian Nationalist returned to politics from retirement. Mr. King announced that, as there was no constitutional precedent for the situation, he would not resign, but meet the House on January 7.

Canada's great problem remained the National Railways. Under Sir Henry Thornton and with the aid of considerable capital expenditure, they have climbed from heavy deficits to an operating profit of approximately $30,000,000 for 1925. This profit, however, does not meet the interest on capital and it has been won partly at the expense of the privately-owned Canadian Pacific Railway. The problem is complicated by sectional demands of a contrasting nature. The present arrangement is that the 1897 agreement is to stand while the Railway Commission work out equalized rates on a Dominion-wide basis. During session the Senate conducted its own investigation and recommended consideration of amalgamation of C. N. R. and C. P. R. in working partnership.

A strike affecting 14,000 workers of the British Empire Steel Corporation in Cape Breton lasted from March to August with much

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attendant misery. Troops were required to protect peace and property and both federal and provincial governments were severely embarassed. This whole unsatisfactory economic situation is the subject of investigation. The Industrial Disputes Act of 1907 which had functioned conspicuously smoothly was declared *ultra vires* by the Judicial Committee of the Privy Council, thus creating a vacuum which federal amending legislation has been able only partly to fill. Even if the latter is to be supplemented provincially, there arise serious constitutional problems related to the sovereignty of the Dominion Parliament.

The general election of November 1925 in **Australia** followed a year of strikes and agitation among marine workers. Australian seamen have for some years been demanding (and getting) better wages and working conditions than have been obtained outside. The disparity between Australian and other marine services is a fundamental cause of the unrest. Mr. Bruce, who came into power at the head of a Nationalist–Country Party coalition after Labor's defeat on the budget in November 1924 has vigorously, perhaps rashly, fought the Seamen's Unions since that time. Australia possessed elaborate arbitration machinery which revealed itself to labor as a counter to their chief weapon, the strike. Consequently the men struck (and in June aided a local strike of British seamen), unions and arbitration or no. The Government at first used as a successful threat its power to deregister the unions, but later ingeniously interpreted some new immigration legislation to meet the crisis. Under a convenient interpretation any person not born in Australia convicted of interference with the ordinary course of industry or transport could be required to show cause why he should not be deported. This power was incidental to a new act amending the Immigration Act so that the government might prohibit or restrict immigration from specific countries or deport—presumably aimed at Italy and Southern Europe from which a large flow of emigrants had come to the Queensland sugar plantations. Criticism of the legislation ended in a challenge to a general election. Mr. Bruce scored a remarkable success on the simple platform of maintenance of the constitution, opposition to communism, and complete review of the arbitration machinery (Nationalists 38, Labor 23, Country Party 14—a 90% poll under the new compulsory voting act). Theoretically he is now independent of coalition with the Country Party, and Labor, which forms the Government in five of the six States, is a definite minority. The defeat of Mr. E. G. Theodore, ex-Prime Minister of Queensland and perhaps the most noted Labor leader, who left State office for a federal career, is remarkable. The election was followed by the detention, trial and proposal to deport Messrs. Walsh and Johnson (or Joanneson), seamen's leaders. The last report states that, after successful habeas

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corpus proceedings, an appeal to the Commonwealth High Court resulted in the Immigration Amending Act being declared invalid.

The death on May 10 of the Rt. Hon. W. F. Massey removed from office the last of the British war-time premiers. He had served in the **New Zealand** parliament for thirty-one years, during the last thirteen of which he was Prime Minister. He had not been conspicuous internationally, but was a beloved and capable domestic statesman. While he believed in control by the New Zealand parliament of external commitments, his behavior showed that he was practically always ready to follow the lead of the British administration. He was succeeded by Mr. J. G. Coates, whose reputation was based on his war service and his businesslike reform of the Departments of Railways and Public Works, and, after the failure of an attempt to fuse the Reform (Government) and Liberal Labor parties which had apparently weakened his position, Mr. Coates went to the country in November. The result was a surprisingly sweeping victory for his party, giving him a majority of 30 in a House of 80 over the other parties combined.

In **South Africa**, the Prime Minister, General Hertzog, successfully held together the Nationalist–Labor "Pact," but was very much hampered in his legislative program. His chief problems were relations with the Provinces, the native question, the mandated territory, and the budget. Apparently the Provincial Councils are moving toward subordination to the Union administration rather than toward a federal relation. 1924 en[illegible] a financial settlement whereby the provincial subsidies were calculated on the basis of, but not appropriated to, a capitation grant representing the "reasonable" cost of primary and secondary education. As these subsidies amount to one-fifth of the revenue (actually in the whole Union almost one-quarter goes to education), it is hard to believe that they do not anticipate extension of Union control, particularly when constitutionally the Union Parliament may practically abolish the Provincial system. Even now the Subsidies Act specifies what taxes the Councils may levy and in one case (Transvaal Employers' Tax), makes it permissible, but not profitable, to the Council to collect it.

The native question, as always, had the centre of the stage. Low-grade mining, a white minority, low standards of native life, inadequacy of native reserves, the Asiatic in trade, combine to urge the employer to dilute his labor with natives, the white laborer and shopkeeper to protest, and the native to leave his kraal to earn enough to buy the "blankets" which protection has put up in price. General Hertzog depended on Labor support and he was faced by a critical Senate. He attempted, unsuccessfully, to pass a bill enabling the government to raise the color bar, in any industry, not only against Africans, but Asiatics as well. In April 4000 natives rioted at Bloemfontein. In

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November Hertzog had to announce that he was preparing a complete new program of native legislation dealing with all the problems. This he proposes to submit to the outside criticism of those in contact with the natives, then to General Smuts and the Opposition, and finally to the Legislature.

A constitution for the former German S. W. Africa was introduced in May, being of a mixed nominative and representative character, with indirect selection of the administrative council and protection, political and linguistic, for the German inhabitants. Obviously the character of the country and the problematical political status of the territory must make this arrangement temporary and further progress careful. Where does sovereignty lie in the Class C mandate of a British Dominion? No answer has as yet won general acceptance. Mr. Havenga's budget in April almost abolished British preference, reducing Great Britain in some fields to worse than most-favored-nation treatment. Following strong protest the anomaly was adjusted, but South Africa has adopted protection with free admission of raw materials.

The Prince of Wales received a remarkably hearty welcome in his three months' tour of English, Dutch, and native settlements and his presence elicited some cordial, even British, remarks from the Prime Minister and the Nationalists. Talk of secession, according to Hertzog, is foolish so long as neither English nor Dutch attempt to dominate the other. South Africa returned to the gold standard, a move which the mines had anticipated by paying wages in gold coin. South Africa also followed the Canadian precedent of petitioning the King not to dispense to her citizens, or to those of the mandated territories, titles of honor.

The most conspicuous event of the year in the affairs of the **Irish Free State** was the settlement of the boundary with Northern Ireland under the "Treaty" Act of 1920. Characteristically enough the settlement emerged from an exciting crisis caused by the resignation from the Commission of the Free State Representative, Dr. MacNeill, and perhaps equally characteristically, the balm which healed the wounds of the respective Irish governments was a contribution from the British Treasury. Originally it was the Free Staters who demanded the Commission, and Ulster which refused to appoint a representative. Finally the Free Staters repudiated the award before it was published and Ulster was determined to secure it. On Great Britain naturally and properly fell the responsibility of securing a settlement, and this was done by financial concession. The price paid was the relinquishment by Great Britain of the Free Staters' "equitable" share of the interest on the national debt and war pensions (estimated variously at from five to sixty million pounds per annum). In partial return the Free State assumed Great Britain's share of compensation for

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malicious damage done since January 21, 1919 (and is to repay compensation already paid) and promised to increase her own contribution for malicious damage done between July 11, 1921, and May 12, 1923, by ten per cent. It might be added that the Irish debt payments were awaiting definition by commission and had never been paid, while the British compensation payments amounted to £1,800,000 in the last fiscal year. Now all financial questions between Great Britain and the Free State are closed and the boundary remains unchanged. The report of the Commission is in the limbo of British Archives. A bill giving effect to the agreement was passed in the United Kingdom Parliament without a division and identical legislation made somewhat more laborious way through the Dail to a final vote of 71 to 20. A resolution of approval was unanimously adopted in the Ulster House of Commons and Sir James Craig announced the disbandment of the Special Constabulary and an immediate review of all cases affecting political prisoners.

The problems of the Irish Free State are now primarily economic and at the time of the March by-elections (7 out of 9 of which were won by the government), it was notable that party issues were changing from attitude to the "Treaty" to domestic issues proper. In April Mr. Blythe presented practically a balanced budget (in place of the last two deficits of six and four million pounds), and, while certain duties on food were abolished or lowered and the income tax cut from five to four shillings in the pound, he carried the country further in protective tariffs. The Free State has a difficult road ahead and distress in the congested districts and unemployment in the East will give Mr. Cosgrave's Government much occasion for thought.

At a general election held in Northern Ireland in April the Unionist Government lost eight seats, but kept a clear majority (32 to 20) over all. The main issue was the continuance of partition in Ireland. Two of the ten Nationalists took their seats, one being Mr. Devlin.

INDIA.—In Indian politics the constitutional issue has continued to overshadow all others, pervading the political atmosphere of the country and dominating the outlook of political parties and leaders. The discontent prevailing among the politically minded classes in India with the existing constitution was expressed in evidence given before a committee appointed by the Government of India in 1924 to inquire into defects in the working of the constitution and to investigate the feasibility of remedying them in a manner consistent with the policy and purpose of the Government of India Act, 1919. In December, 1924, this **Reforms Inquiry Committee**, as it was called, submitted majority and minority reports which were published in the following March. The committee consisted of six Indians and three Englishmen, the Government of India being represented by the Chairman, Sir Alexander Muddiman, and two other members. Among the non-

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official members were Sir Tej Bahadur Sapru, the noted Liberal leader, Mr. Jinnah, leader of the Independent party in the Legislative Assembly, and Dr. R. P. Paranjpye, President of the Conference of the Liberal Federation in 1924. The Swarajists boycotted the inquiry on the ground that the committee was precluded by the terms of reference from recommending any course of action of which their party could approve. Most of the Indians who testified expressed the view that the constitution had proved unworkable and advocated the immediate grant of autonomy to the provinces and the introduction of a measure of responsibility in the central government. Much evidence was given to the effect that dyarchy had definitely failed. The majority of the committee recommended a number of minor changes to effect improvements in the working of the constitution, with some of which the minority agreed. But the latter made it clear that in their opinion the constitutional problem could not be solved without radical revision of the Government of India Act. In particular, they were convinced that the system of dyarchy in the provinces had failed and that the coexistence in the central government of an irresponsible executive and a popular assembly would inevitably result in acute conflict.

In the spring the Secretary of State for India, Lord Birkenhead, held prolonged conferences with the Viceroy, Lord Reading, who had returned to England on leave of absence, and on July 7 he made an important statement on Indian affairs in the House of Lords. He indicated that he and his colleagues would go as far as possible in carrying out proposals which the Government of India might make along the lines recommended by the majority of the Reforms Inquiry Committee. A general revision of the constitution, he intimated, might possibly take place before the year 1929, when, in accordance with a provision of the Government of India Act, a royal commission would be set up to survey the working of the constitution and recommend such changes as might seem desirable in the light of experience. He did not accept the view that the constitution had wholly failed, though he expressed no high opinion of the principle of dyarchy, which he characterized as "doctrinaire and artificial." He declared emphatically that there would be no reconsideration of the constitution until the responsible leaders of Indian thought evidenced a sincere desire to cooperate with the Government in making the best of the existing régime and he added, in words intended for the ears of the Swarajists, that along the road of obstruction there would be no progress. Lord Birkenhead's speech was received in India with expressions of disappointment and indignation, and it was regarded as unsatisfactory in Labor and Liberal quarters in England.

At the opening of the autumn session of the Indian legislature, on August 21, the Viceroy announced that the majority report was ac-

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ceptable to his Government and that the time had not yet come for a comprehensive constitutional inquiry, though this might take place before 1929 if the British Government was convinced that there had been genuine cooperation on the part of Indian political leaders in working the present constitution. Early in September, when a resolution expressing approval of the majority report was before the **Legislative Assembly**, Pandit Motilal Nehru, leader of the Swaraj party in the Assembly, moved an amendment calling for the abolition of dyarchy in the provinces and its replacement by "autonomous responsible government" and the responsibility of the Governor General in Council to the Indian Legislature, subject to a transitional reservation of power in the Governor General with respect to military, foreign, and political affairs for a fixed term of years, and recommending that steps be taken to constitute a convention or round-table conference representative of all Indian, European, and Anglo-Indian interests, to frame a detailed scheme of government to be placed before the Legislative Assembly for its approval and then submitted to the British Parliament to be embodied in a statute. The amendment was carried by a vote of seventy-two to forty-five, only a few non-official Indians voting against it and no Englishman supporting it.

A number of occurrences during the past year gave evidence of a movement in the ranks of the **Swaraj party** away from their original policy of persistent and consistent obstruction as a means of wrecking the constitution, a movement which may be said to have begun as early as the summer of 1924, when the Swaraj members of the Legislative Assembly decided to take part in Government activities when the public interest would be served by their so doing (see last RECORD, p. 138). In January the Swarajists supported the Government in voting a substantial bounty on steel manufactured in India in order to protect the steel industry of the country from the ruinous competition of low-priced continental European steel. On March 14 Motilal Nehru moved, as a vote of censure, to reject a Government demand for a money grant and succeeded in carrying his motion by a vote of sixty-five to forty-eight; he based it, however, not on a policy of obstruction but on the ground of refusal of supplies to a Government that had forfeited the confidence of the country. Considerable significance was attached to his acceptance of membership on a committee appointed by the Government of India to consider what steps should be taken to establish a military college in India and to determine at what rate the Indianization of the army should be accelerated. On March 30 Mr. C. R. Das, the leader of the Swaraj party, issued a manifesto declaring his opposition both to revolutionary violence and to government repression and urging the English to lay aside suspicion. In his presidential address at the annual session of the

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Bengal Provincial Conference on May 2 Mr. Das again condemned revolutionary violence and stated that he would cooperate with the Government if he thought that the present constitution transferred real responsibility to the people. He declared that Swaraj was attainable within the Empire and envisaged India as a federation of states within the larger federation of the British commonwealth. In the Central Province a Swaraj leader actually accepted office as a member of the governor's executive council. However, the Swaraj extremists were able to secure the adoption by the Indian National Congress, at its annual December meeting, of a resolution calling upon members of the Legislative Assembly to resign their seats and prepare the country for civil disobedience if the Government failed to heed the demands of the Swarajists.

The Swaraj party seems to have lost somewhat in influence and prestige. During the winter session of the **Legislative Assembly** the Independents, led by Mr. Jinnah, withdrew from the coalition with the Swarajists which they had previously formed (see last RECORD, p. 137) and adopted a policy of "responsive cooperation;" that is to say, they decided to treat all Government proposals strictly on their merits. On some occasions they voted with the Swarajists against the Government, but on others they supported the Government against the Swarajists. In consequence of the line taken by Mr. Jinnah and his followers the Swarajists were unable to reject the annual Finance Bill, as they had done in 1924 (see last RECORD, p. 138) and it was passed by the Assembly on March 18 by a vote of seventy-five to forty. On August 22 the Swarajists succeeded in electing their candidate as president of the Legislative Assembly, but he defeated his Independent rival by only two votes, and in the autumn session the Independents continued to take their own course. The **death of Mr. Das** on June 16 was a severe blow to the Swaraj party. No other leader in India, except Mr. Gandhi, who had retired from active participation in politics, exerted an influence comparable to his. Motilal Nehru was chosen as his successor in the leadership of the party in July.

In **Bengal** the legislative council, on March 23, refused, as it had done in the preceding year, to vote salaries for provincial ministers, and on June 15 the Government of India announced that in consequence of this refusal dyarchy would be suspended in the province until January, 1927, when the present council comes to an end. The Swarajists, however, have not had a majority in the Bengal Legislative Council and have been obliged, therefore, to depend on the Independents to make obstruction effective. During the past year they have been unable to count upon consistent Independent support. They failed to elect their candidate as president of the Legislative Council and the provincial Government was able to carry a number of its measures which had been defeated in the previous session.

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The storm of denunciation aroused by the ordinance amending the **criminal law of Bengal**, which the Viceroy issued in October, 1924 to deal with revolutionary violence in that province (see last RECORD, p. 138), did not soon subside. Lord Reading felt it necessary to devote a large part of his address at the opening of the winter session of the Indian legislature to a justification of his action in promulgating the ordinance. He argued that the ordinary courts were unable to deal with such revolutionary outbreaks because witnesses did not dare to give evidence against criminals belonging to widespread secret societies that employed methods of terrorism. He denied that there had been any intention of using the ordinance for the purpose of suppressing any political party, as had been commonly believed in India, and he reminded his hearers that he had issued it only after the Government of Bengal, the members of his own Government and the British Government had all agreed that it was necessary. The ordinance was limited in duration to six months. A bill to continue its provisions for five years was placed before the Legislative Council of Bengal in January, but leave to introduce it was refused. It was then, in accordance with the provision of the Government of India Act, certified by the Governor as essential for the discharge of his duty in the administration of justice and assented to by the King in Council in March. At about the same time a bill to supplement the Bengal Act was rejected by a large majority in the central Legislative Assembly, but it was passed by the Council of State and certified by the Governor General.

Hindu-Moslem relations have been far from satisfactory. In addressing the Indian Legislature on January 20 the Viceroy referred to "the present high state of tension" between the two great religious communities of the country and said that his Government had observed with deep concern "the lamentable series of riots and disturbances which have resulted in so much loss of life and property . . . and exacerbation of old animosities." He pointed out that this state of affairs was a serious hindrance to unity of political aim and must retard political progress. The efforts of Mr. Gandhi and other leaders to improve Hindu-Moslem relations seem to have accomplished little, and early in the year Gandhi and Motilal Nehru issued a joint statement to the effect that agreement between the two religious communities on outstanding political issues was not practicable. In Dera Ismail Khan, a prosperous city in the Frontier Province, posters inflaming Mohammedan religious passion were spread about the town, and in June a series of fires broke out in Hindu houses which baffled the police and terrified the Hindus, who feared a Moslem conspiracy. In Delhi the sacrifice of cows by Mohammedans outraged Hindu religious feeling and led to a series of intercommunal riots. In several of the provinces the situation has continued to be most

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tense, the press of the two communities abounding in recriminations and threats.

An important decision in favor of the Indian **cotton industry** was made when the Government of India determined to suspend, as from December 1, the excise tax of three and one-half per cent ad valorem previously payable on cotton cloth woven in the Indian mills.

VI. EUROPE

FRANCE.—Five different Cabinets in a single year resulted from the maneuvers of the *Cartel des gauches* in the Chamber of Deputies. To be sure, one of these Cabinets was an *ad interim* ministry, and one was the previous group slightly reconstructed, but the changes nevertheless showed the instability of the French parliamentary régime when there is no certain balance of power in the Chamber.

The year opened with the **Herriot ministry** in power (*cf.* last RECORD, p. 141). Its prestige in foreign policy was considerable, but in internal affairs, and especially finance, it was confronted by many difficulties. Its position, furthermore, was so weak that, as Briand said, it could not "afford to indulge in the luxury of an anti-clerical policy," and so the religious question, somewhat quiescent since the breaking off of diplomatic relations with the Vatican, stirred up furious quarrels in the first months of 1925.[1]

On April 10 the Senate voted against the Herriot Cabinet by 156-132 on the question of exceeding the legal limit of banknote circulation, and Herriot resigned. It was the third clear instance in the history of the Third Republic of a Senate forcing a Cabinet out, and the incident caused a discussion of the constitutional question as to the similarity or difference of a ministry's responsibility to the two branches of the French legislature. M. Herriot, however, was in no position to raise this issue, since his last vote of confidence from the Chamber of Deputies had been gained by the disappointingly small margin of 44. The Senate's action, moreover, was partly due to a feeling against the Socialists, as well as to disapproval of the Cabinet's financial policy. The Senate, that is to say, wished to remove the Socialists from their position of actual, though irresponsible leadership, Socialist support being necessary for a majority, but the Socialists as a party being unwilling to take places in a ministry.[2]

President Doumergue's first maneuver was to ask Briand to head a

[1] See Louise Weiss, "The Liberal Trend in French Politics", *Current History,* October 1925.

[2] The other two important instances of Cabinet resignations because of votes in the Senate were those of M. Bourgeois in 1896, and of M. Briand in 1913. For a detailed discussion of the constitutional question see Jean Devaux: "Le Rôle du Sénat et la responsabilité du ministère", *Revue du droit public,* October–November–December, 1925, p. 653.

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new ministry. The hope was that he could form a Cabinet that would split the Left and the Right: that would take the right wing of the Left majority, combine it with the left wing of the Right minority, and thus create a Center bloc that could govern. M. Briand, however, adopted a different strategy; he was more anxious to force the Socialists to assume responsibility than he was to form a Cabinet of his own. On April 21 the National Council of the Socialist party decided not to take office, and not to support Briand; Doumergue thereupon turned to Painlevé. The latter succeeded in forming a Government in which Briand held the foreign portfolio and Joseph Caillaux, whose political rights had been restored the previous December (*cf.* last RECORD, p. 148), was invited to take charge of the Treasury. M. Herriot was elected President of the Chamber of Deputies in place of M. Painlevé on April 22.[1]

The immediate business of the new ministry was the passage of the budget, which should have been voted by the last day of December. M. Caillaux took over his office while the Herriot budget was being discussed, and new proposals which he made were responsible for numerous unsettled questions between the Chamber and the Senate. Indeed, for the first time under the Third Republic the Senate approved a budget which it knew to be purely provisional. It gave its consent to the first draft on May 30, but on May 25 M. Caillaux had introduced an entirely new budget in the Chamber. The principal difference between the two branches of the legislature was with respect to the tax on the business turnover of food dealers and small retailers. Four times the Chamber amended the law to eliminate this tax, but the Senate was victorious. The Government accepted the opinion of the Senate and secured in its support a majority of 325—245 in the Chamber, but this was really a defeat of the Cartel. The budget was adopted, in other words, against the opinion of the factors that made it possible for the Painlevé-Briand-Caillaux ministry to be formed. It was the first time since the last elections that the Socialists, barring a few intransigeants, had participated publicly in warfare against the Cabinet; it was the first time, moreover, in a parliamentary dispute, that a Cabinet of the Left had raised the question of confidence against a hostile array of Socialists and extreme Radicals. For the first two months of its tenure, the Painlevé Cabinet had trimmed its sails to the favorable and unfavorable Socialist winds, but this arrangement could not last. On Morocco and on finance

[1] The rest of the Cabinet was as follows: Senator Jules Steeg—Vice Premier and Minister of Justice; Senator A. Schrameck—Interior; Émile Borel—Marine; Senator Charles Chaumet—Commerce; André Hesse—Colonies; Antoine Durafour—Labor; Anatole de Monzie — Education; Pierre Laval — Public Works; Jean Durand—Agriculture; Louis Anteriou—Pensions.

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important divergences began to appear. The Socialist proposal of a capital levy was not accepted by the Painlevé–Caillaux combination, and the desire of the Left not to impose taxes on small shopkeepers, tending as it would have, in M. Caillaux's opinion, to threaten the equilibrium of the budget, was the issue on which the break came. He secured his majority from the Right rather than from the Left.

Parliament adjourned, and the principal preoccupation of the summer was **M. Caillaux's negotiations with the American Debt Funding Commission** in Washington (*cf. supra*, p. 30). M. Caillaux really fought two battles. He sought to win from the American Commission terms that would not mean disaster—a settlement, that is, sufficiently generous to take back to Paris and present to his Parliament. The vote on the budget, however had meant that M. Caillaux had lost his parliamentary majority, and his second battle, therefore, was to create a majority for the acceptance of the settlement. This is one of the reasons why the French Commission consisted so primarily of Senators and Deputies. M. Caillaux wished supporters in Parliament when he returned to Paris. The debt negotiations, however, were unsuccessful and when the parliamentary session began in October, M. Caillaux had lost a great deal of his prestige. A Radical-Socialist conference at Nice under the presidency of Herriot on October 17 in effect committed itself to the idea of a capital levy. Caillaux refused to consider this project, and on October 23 presented his budgetary plans to the Cabinet. These did not give any complete, concrete program for the financial rehabilitation of France. Painlevé thereupon in order to get rid of Caillaux, presented his resignation (October 27) and was invited by Doumergue to undertake the formation of a **new Government**. Of the thirteen members of his new Cabinet, nine held over; four were new. Painlevé took charge of the Ministry of Finance himself, and his new Government obtained a majority of 32 on a vote of confidence (November 3). There were, however, 180 abstentions, including 104 Socialists.

Painlevé was particularly anxious to remain in office in order to secure the ratification of the Locarno agreements (*cf. supra*, p. 6) and to clear up, so far as possible, the Syrian situation (*cf. infra*, p. 120). In November, proposals were made for drastic increases in taxes, particularly for heavy, direct levies upon almost every form of wealth. These projects, however, failed to placate the Socialists and advanced Radicals. The Left leaders were favorable to the "Blum plan"—a modified capital levy. The Finance Commission of the Chamber voted 17—14 (November 8) for changes in the Painlevé proposals so considerable as to amount to rejection. On November 11, M. Painlevé seemed ready to yield to the views of the Left bloc, but on Sunday, November 22 the Government was defeated by one vote in the Chamber of Deputies on an essential article of its financial plan bill.

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This provided for a more or less forced consolidation of the short term debts shortly to fall due. M. Painlevé resigned.

Briand at first attempted to form a **new Government**, but abandoned the effort. M. Doumer, head of the Senate Commission of Finance, and a former Minister was then appealed to. He was unsuccessful, and Doumergue then turned to Herriot. For a time it seemed as if the Socialists might share in a real Government of the Left for the parliamentary Socialist party voted in favor of this action—a decision which was opposed to the views of the party congress. By a vote of 13—10, however, the executive committee of the Socialist party resolved against participation in any Government constituted by another party; the Socialists furthermore refused to support Herriot unless he guaranteed in advance to espouse a capital levy and other items in the Socialist program. Briand was then appealed to again, and on November 27 was able to form a **Cabinet** of moderates. It was his eighth premiership. Painlevé became Minister of War, and Louis Loucheur Minister of Finance.[1]

The Government won its first battle with the Chamber when it carried by a vote of 245—239 an emergency bill authorizing the issue of 7,500,000,000 francs to enable the Treasury to meet its obligations. The Senate on December 4 voted for the bill 196—59. A fortnight before, M. Painlevé's Cabinet had repudiated further inflation, but the Briand–Painlevé Government demanded inflation which increased the note circulation by 20%. The Chamber rejected the Painlevé proposal to consolidate the three-year bonds on the ground that this would be a breach of faith on the part of the State; the Briand–Painlevé alternative accepted—the issue of banknotes to care for the obligations—was not objected to as an oppressive form of direct taxation or as an indirect capital levy.

The Loucheur finance-reform measure was presented to the Chamber of Deputies on December 8. M. Loucheur, however, lasted as Finance Minister for only a few days. He resigned on December 15, when the Finance Commission of the Chamber of Deputies summarily rejected his proposed taxes. Briand thought for a time of resigning himself, but the Finance Commission made urgent representations that this action was directed solely against Loucheur, and not against the Briand Cabinet. Since, however, M. Briand had endorsed the Loucheur measure which was so cavalierly treated by the Commission, the position of the cabinet was somewhat shaken. The new Finance Secretary was M. Doumer, who had been Minister of Finance before

[1] The other posts were held as follows: Aristide Briand—Foreign Affairs; René Renoult—Justice; Camille Chautemps—Interior; Georges Leygues—Marine; Edouard Daladier—Education; Anatole de Monzie—Public Works; Daniel Vincent—Commerce; Jean Durand—Agriculture; Antoine Durafour—Labor; Paul Jourdain—Pensions; Léon Perrier—Colonies.

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and President of the Chamber but who was not looked upon as strong enough to handle the crisis. Within the Cabinet there was a desire for the recall of M. Caillaux, but Briand's personal dislike was one of the factors in preventing this action. Had M. Caillaux been recalled there would have been a complete circuit in French politics, and the Briand–Painlevé–Caillaux combination, whose overthrow by Herriot and Blum stirred up the crisis, would have been back in office. Maneuvers in the commissions and in the Chamber, and negotiations between M. Doumer and the Socialists during the last days of 1925 held out little hope that his tenure of the finance portfolio would be of long duration. The depreciating currency (*cf.* above, p. 38) and the continued refusal of the Socialists to share in any Government in which they did not have the most important posts, led to discussions of whether a *union sacrée* between the parties, such as existed during the War, or even a dictatorship, was not demanded by French interests. The discussion of a dictatorship, however, was more serious in foreign countries than it was in France.

During 1925 practically all the ministerial declarations advocated the **reform of the electoral law.** There is general dissatisfaction with the present arrangement, which is a hybrid form of proportional representation (*cf.* last RECORD, p. 145). In June, the Commission on Universal Suffrage of the Chamber of Deputies reported in favor of a thoroughgoing scheme of proportional representation, but on June 18 the Chamber voted for *scrutin d'arrondissement* by 295—265, and charged its commission to prepare a law to carry this decision into effect. The Senate had already voted several times for the arrondissement as the electoral unit, and had made one of its proposals more palatable to the Chamber by suggesting an increase in the number of deputies. Both the Chamber and the Senate seem to be agreed on the principle, and if they can agree on the text of a measure, the prolonged political jockeying will come to an end and the present electoral system will be scrapped. The last maneuver came on December 17, when the Commission on Universal Suffrage of the Chamber decided to leave to the latter the choice between *scrutin d'arrondissement* and *scrutin de liste* by a majority—the system which prevailed from 1885–1889 and which was abandoned largely because of the use made of it by General Boulanger.[1]

GERMANY: The Luther Government.—The long drawn out political crisis which marked the close of the year 1924 came to an end on January 15, 1925, when Dr. Hans Luther, former Mayor of Essen and Minister of Finance in the Marx Cabinet, succeeded in selecting what was in reality Germany's first conservative bourgeois Cabinet.[2]

[1] See Sait, *Government and Politics of France,* p. 154.

[2] The personnel of the new Cabinet was as follows: Dr. Luther (German

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The new Chancellor denied the assertion of the Left that his Cabinet was monarchist and primarily interested in reestablishing the old régime and in presenting the program of the new government stressed the necessity of enacting economic legislation, especially tax and tariff reforms. At the same time he urged improvement of Germany's commercial and political relations with foreign nations and endorsed the Dawes plan (*cf.* last RECORD, pp. 29-34). It was evident from the Chancellor's speech that he and his associates were more concerned about putting Germany on her feet economically and in restoring foreign confidence in her than they were about the form of her government. On January 22, the Reichstag placed its stamp of approval on the new government [1] by a vote of 246 to 160. A month later there occurred the death of Friedrich Ebert, first president of the German Republic. Pending the election of his successor, the presidential duties were assumed for a brief interval by Chancellor Luther, but on March 10 the Reichstag adopted a special law naming Dr. Walther Simons as President of the Reichsgericht or National Court [2] as president *ad interim*. In the **presidential elections** held on Sunday, March 29, there were seven candidates, representing all shades of German post-war politics. The two powerful parties of the Right — the Nationalists and the German People's party—after first bidding for Centrist support by proposing for nomination Stegerwald, a Catholic reactionary, and then for Democratic backing by proposing Otto Gessler, Minister of Defense, finally united on Dr. Karl Jarres, Mayor of Duisburg and Vice-Chancellor in the Marx Cabinet. The Democrats named Dr. Willy Hellpach, President of Baden; Dr. William Marx, former Chancellor, was the standard bearer for the badly factionalized Centrists; while the Socialists nominated Otto Braun, former Premier of Prussia. The Communist candidate was Ernest

People's party), Chancellor; Dr. Gustav Stresemann (German People's party), Foreign Affairs; Herr von Schlieben (Nationalist), Finance; Herr Schiele (Nationalist), Interior; Dr. Karl Neuhaus (Nationalist), Economics; Count von Kanitz (Nationalist), Agriculture; Herr Heinrich Brauns (Centrist), Labor; Dr. Joseph Frenken (Centrist), Justice; Herr Stingl (Bavarian People's party), Posts and Telegraphs; Otto Gessler (Democrat), Defense. Three members, Stresemann, Gessler and Brauns, held portfolios in the former government.

[1] The Nationalists, the German People's party, the Bavarian People's party, and most of the Centrists supported the government; while the Socialists, the Communists, and a number of Left Wing Centrists, including their leader, former Chancellor Wirth, voted against it. Thirty-nine members—the Extremists of the Right (the National Freedom party) and the Democrats refrained from voting.

[2] President of the Reichsgericht is a post somewhat analogous to that of the Chief Justice of the United States Supreme Court.

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Thaelmann. The Bavarian People's party, instead of supporting Jarres, voted for a "native son," Premier Held of Bavaria; and a wing of the Nationalist (National Freedom) supported Ludendorff. The result of the balloting, which was preceded by a bitterly fought campaign featured by many verbal attacks of a personal character, was as follows: Jarres, Nationalist, 10,408,365; Braun, Socialist, 7,798,346; Marx, Centrist, 3,884,877; Thaelmann, Communist, 1,871,207; Hellpach, Democrat, 1,567,197; Held, Bavarian People's party, 1,006,790; Ludendorff, 284,975; scattering, 34,245. A total of about 26,856,000 votes were cast, or 3,000,000 less than in the December, 1924, parliamentary elections;[1] this was equivalent to about seventy per cent of the electorate.[2]

Throughout the country the March election was regarded as a mere preliminary trial of strength between the contending parties, and inasmuch as no candidate received the necessary majority a second election, in accordance with the Constitution,[3] had to be scheduled; this was held on April 26. For a time it was thought that the parties of the Right, together with the Bavarian People's party, would support Jarres while the Left bloc, composed of the Centrists, Democrats, and Socialists, would back ex-Chancellor Marx. But it was felt that Jarres had made a poor showing under favorable circumstances and this, coupled with the refusal of the Bavarian People's party (Catholic) to support him because of his open espousal of the National Evangelical League, led to his elimination. For a time both Gessler and Luther were considered to succeed him, but finally it was announced on April 8 that Field Marshal Paul von Hindenburg, chief of the German General Staff during the World War, would enter the lists after having twice refused to be a candidate. As a result the campaign narrowed down to the keenest sort of a contest between Marx and von Hindenburg, the majority of the other candidates having withdrawn.

[1] The total vote in the Reichstag elections, held December 7, 1924, was 30,245,357. See table, last RECORD, p. 156.

[2] For a fuller account of this election see *Current History*, May, 1925, vol. XXII, no. 2, p. 304 *et seq.*

[3] To be elected on the first ballot a candidate must obtain an absolute majority of all the votes cast. If no candidate receives an absolute majority a second ballot must be taken somewhat after the manner of the French *ballotage*, except that the run-off election need not be between the two highest candidates on the first ballot and that new candidates may be named in the second ballot who did not run on the first. A plurality is sufficient to elect on the second ballot even though the votes polled by the other candidates together constitute a majority. *Cf.* McBain and Rogers, *The New Constitutions of Europe*, p. 184; Graham, *New Governments of Central Europe*, pp. 58-59.

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In appealing to the electorate Dr. Marx stressed the importance of maintaining the Republic; the real issue at stake, the Republicans asserted, was "republic *versus* monarchy." This Hindenburg and his supporters emphatically denied. Their primary object, they maintained, was to build up Germany economically and to assist her to recoup her commercial fortunes. American campaign methods were used and both camps were accused of having "slush funds." The result of the balloting, given below, showed that the former Field Marshal had decisively beaten the Republican standard bearer although polling less than half the total vote cast.

Total votes cast	30,351,948
For Hindenburg	14,655,766
" Marx	13,751,615
" Thaelmann (Communist)	1,931,151
Scattering	13,416

Approximately 3,500,000 more votes were cast than in the election of March 29. Moreover, the vote for the President-elect exceeded by over 2,950,000 the total vote cast for all the Right candidates in the previous election. The returns also indicated that Hindenburg was warmly supported in the agrarian areas, while Marx made his best showing in the industrial centers.[1] On all sides the opinion was freely expressed that the former stay-at-home voters, plus the vote of the women, counted heavily for the Field Marshal.[2] Many dissenters from the ranks of the Democratic and Center parties also voted for Hindenburg. That the strong anti-Catholic feeling prevalent in certain sections militated against Dr. Marx was frankly admitted by many of his staunchest followers.[3] The new President was sworn into office on May 12.

[1] Hindenburg, for instance, rolled up big majorities in East Prussia, Frankfort-on-Oder, Pomerania, Merseburg, Thuringia, Schleswig-Holstein, East Hanover, Upper Bavaria and Suabia, Lower Bavaria, Franconia and Mecklenburg. He also carried Liegnitz, Magdeburg, South Hanover, Dresden-Bautzen, Chemnitz-Zwickau, the first Potsdam district, Leipsic and Hamburg. Marx, on the other hand, was heavily supported by Berlin, North Westphalia, South Westphalia, Cologne, Aix-la-Chapelle, Coblenz-Trier, West Dusseldorf and Baden. In addition, he led Hindenburg in Oppeln, Hesse-Nassau, Hesse-Darmstadt, Breslau, the second Potsdam district, Weser-Ems, Palatinate, Württemberg, and East Dusseldorf. For a map showing distribution of vote see *New York Times*, May 3, 1925.

[2] In Regensburg, for example, Hindenburg obtained 64.5 per cent of the women's vote as against 35.5 for Marx.

[3] The National Evangelical League was especially active.

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POLITICAL PARTIES IN GERMANY [1]

Party	Policies	Membership	Leaders	Organs
National Freedom	Ultra conservative Direct action for restoration of monarchy Extremely nationalistic Violently anti-Semitic Opposed Dawes Plan	Principally reactionary landowners	Graefe Wulle von Ludendorff	*Deutsche Zeitung* *Deutsches Tageblatt* *Völkischer Beobachter*
Nationalist	Restoration of monarchy by constitutional means Stands for hegemony of Prussia Anti-Semitic Advocates maintenance of Lutheran State Church Believed Dawes Report "unfulfillable" rather than "unacceptable"	Principally from landed aristocracy Some from industrial centers	Schiele Hergt Count Westarp von Tirpitz Prof. Hötzsch Prince von Bismarck	*Deutsche Tageszeitung* *Tägliche Rundschau* *Kreuzzeitung* *Lokal Anzeiger* *Der Tag*
German People's Party	Inclined toward monarchy, but reconciled to Republic Supported Dawes Report Promotion of business interests	Chiefly from industrial magnates ("big business") Upper Middle Class	Gustav Stresemann Heinze Vogler Luther	*Die Zeit* *Kölnische Zeitung*
Bavarian People's Party	Opposes hegemony of Prussia			
Center	Defends interests of Catholics Social reform	Catholics of all shades of political belief	Dr. Marx Wirth (Left Wing) Stegerwald (Right Wing) Heinrich Brauns Fehrenbach	*Germania* *Kölnische Volkszeitung*
Democrats	Republicanism and Democracy	Middle Class Majority of Intellectuals	Hugo Preuss Erich Koch Otto Gessler Walther Schucking Erkeleng von Bernstorff	*Vossische Zeitung* *Berliner Tageblatt* *Börsen Kurier* *Frankfurter Zeitung*

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POLITICAL PARTIES IN GERMANY—*Concluded*

Party	Policies	Membership	Leaders	Organs
Social Democrat	State Socialism	Lesser bourgeoisie and industrial workers	Paul Loebe Rudolf Breitscheid Dr. Hilfferding Herman Müller Crispien	Controls about 120 newspapers but chief organ is *Vorwärts*
Independent Socialists	Split in 1922 into two factions, one of which joined the Social Democrats, the other the Communists			
Communist	Direct action in favor of Communism Adheres to Third International of Moscow	Communists	Ivan Katz Ruth Fischer Clara Zetkin	*Die Rote Fahne*

[1] For parties and policies see Graham, *New Governments of Central Europe*, pp. 90–104. See also election figures *supra*, pp. 102–103, and last RECORD, pp. 155–156.

Election excitement had scarcely subsided before the attention of the country was focused on the government's domestic program which, among other things, called for increased taxes, tariff revision and revaluation of the public debt. In fact, four days after the election Finance Minister Schlieben told the Reichstag that Germany would be unable to meet her reparations payments unless additional funds could be secured, for the country, said he, faced a **budget deficit** of about 250,000,000 gold marks which could be met only by taxation. He estimated that expenditures for 1925 would total 4,900,000,000 marks against an aggregate revenue of only 4,652,000,000 marks. The Left parties demanded that inflation profits be taxed on the ground that between 1913 and 1925 no less than 419 corporations had wiped out more than two billion marks of bond and mortgage debts. In opposing such a levy, Reichsbank Director Schacht, appearing for the business interests, declared that the yield would be insignificant as the profits were relatively small. The government finally succeeded on August 7 in getting through a bill which provided for increased internal duties, particularly on liquor and tobacco, and for higher rates on property.

The government's **tariff** proposals were also bitterly condemned by the Left parties and on May 20 the Socialists moved a vote of lack of confidence. The particular item which aroused the ire of the Communists and Socialists was the proposal for higher duties on grain; this they declared was absolute proof that the government was

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dominated by grain-growing *Junkers*. Although the Socialist motion was lost by a vote of 214 to 129 the members of the party continued to wage war on the schedules affecting foodstuffs, but despite their opposition the tariff measure was pushed through. It practically returns Germany to the high protective basis of 1903. Imported wheat is taxed at 85 cents per 100 kilos, oats and rye at 72 cents, and corn at 84 cents. Live animals imported for slaughter are taxed at $4.30 per 100 kilos, prepared meats as high as $28 per 100 kilos, and lard and other cooking fats at $3. The increase in duties on textiles, except of the luxury description, is moderate. Duties on pig-iron and steel as well as on manufactured metal goods are raised and duties on typewriters, calculating machines, cash registers and automobiles are moved up, in some instances as much as 800 per cent. The Centrist support of the government tariff bill was partly responsible for the Catholic deputies losing one of their foremost leaders, former Chancellor Wirth. As soon as the measure was passed he resigned from the party and announced that henceforth he would play a lone hand politically.[1] It is expected that the tax and tariff measures will yield a revenue of 7,000,000,000 marks.

The complicated **revaluation bill**, providing roughly for revaluation of state loans at 2½% of their face value both in the case of holders before July 1, 1920, and those who obtained their securities after that date, was signed by President Hindenburg on July 17. It was estimated that the face value of the loans in the hands of the old holders totaled about 50,000,000,000 marks; for the new holders the total was 20,000,000,000 marks.[2] Revaluation will not be effective until after Germany's reparation obligations have been squared.

In the **coal industry,** overproduction resulting from abnormal industrial development during the war, the increased use of oil, water power and cheap brown coal, the loss of pre-war markets such as the German army, navy and merchant marine, heavy taxes and insurance obligations, together with lack of cash for operating expenses, caused the coal barons to seek government assistance. They asked the Federal Treasury to subsidize them and petitioned the Luther Cabinet to help them reduce the cost of production by increasing the miners' working hours without raising their wages—a proposal which the

[1] During his Chancellorship Dr. Wirth openly implied that the reactionary elements in German politics were more dangerous to the republic than the revolutionary Left.

[2] All mortgages and other claims on landed property and debts on shipping and railway lines were revalued at 25 per cent. Holders of mortgages who before June 15, 1922, accepted redemption of their claims without reservations are not entitled to revaluation under the new law. Industrials were revalued at 15 per cent.

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miners naturally opposed. Accordingly when the government extended credit to the amount of $175,000,000 to the Ruhr magnates it brought upon itself a storm of criticism from the Left parties. To lower costs the Cabinet renewed police control over retail prices for necessities. Despite this action the prices of many commodities remained abnormally high.[1]

Opposition to the **Locarno treaties**, particularly on the part of the Pomeranian and East Prussian Nationalists, took the form of a Cabinet crisis when, on October 25, Dr. Schiele, Minister of Interior, Herr Schlieben, Minister of Finance, and Herr Neuhaus, Minister of Commerce, handed their resignations to Chancellor Luther. For a short time it was thought that the action of the Nationalists might lead to the resignation of the entire Cabinet and to a new election. At the earnest solicitation of President Hindenburg and other leaders, however, Chancellor Luther was persuaded to continue with his rump Cabinet.[2] Debate on the Locarno pact and the question of Germany's entry into the League of Nations began soon after the Reichstag reassembled on November 20 following a three months' vacation. The Chancellor, while frankly admitting that the treaties would not at once do away with all the "illegalities and irregularities," expressed the opinion that these would gradually disappear and that the Reich's entry into the League of Nations offered the only effective means for the achievement of universal disarmament and the preservation of world peace. The final vote was 291 for and 171 against ratification.[3] The People's party, the Catholic Center, the Bavarian People's party, and the Socialists plus the industrial Nationalists proved too strong for the combined forces of the extremists.[4]

Socialist support for the Security Pact was obtained in part by the promise that as soon as the treaties were ratified and signed the Cabinet would resign. Chancellor Luther therefore tendered the resignation of himself and his associates on December 5. The President desired Dr. Luther to head a coalition government composed of the People's party, the faction of Foreign Minister Stresemann and the big industrialists, the Catholic Center, the Democrats and Socialists. The delay in forming a ministry from these parties was

[1] Cf. P. Dawson, "The Truth about Germany's Industrial Revival", *Industrial Management*, June 1925, vol. 69, pp. 336-344. For a monthly account of financial and industrial conditions see the issues of *Current History*.

[2] The Chancellor himself took over the portfolio of Finance, Defense Minister Gessler accepted the Ministry of Interior, while Transportation Minister Krohne took the Ministry of Commerce.

[3] For more detailed account see *Current History*, January, 1926.

[4] The treaties were formally signed in London on December 1, the German delegation being headed by Chancellor Luther and Foreign Minister Stresemann.

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occasioned by the Socialists who asked that **unemployment doles** [1] be raised fifty per cent and who also wanted the question of the financial claims of the Hohenzollern and other German dynasties submitted to a popular referendum. Both the increased dole and the referendum were opposed by the other parties. Spokesmen for the bourgeois groups unanimously agreed to approve an increase of thirty per cent which they were convinced was the utmost the Federal Treasury could bear. The Socialist representatives, however, declared that this increase was not enough.

The question of **royal claims for indemnities** raised a storm throughout all parts of Germany. The claims of the Hohenzollerns and other rulers put a valuation of more than $500,000,000 on the landed estates, castles, museums, works of art, and other contested properties. On the other hand, it was maintained that no remuneration should be made since these fortunes were confiscated legally by the government, following the overthrow of the monarchy and the introduction of the republic, and were public property in most cases. It was announced on November 30 that the Hohenzollerns, forty of whom had claims, were willing to conclude a settlement with Prussia for $7,000,000 in cash and the undisputed title to 250,000 acres of land in addition to a number of castles, hunting lodges, valuable works of art and furniture. The claims of this family amounted to more than $50,000,000 in Prussia alone. This announcement was followed by the introduction in the Reichstag of two proposals: one by the Democrats empowering the Diet of each state to settle with each of the ex-rulers on the basis of 12½ per cent of valuation, and the other by the Communists to confiscate the estates without any compensation. The close of the year saw this problem still unsettled.

Provisional figures of the **census** taken last June show the population of Germany to be about 62,500,000 excluding the Sarre region, the population of which was estimated at 750,000. Thus the population of the Republic is about the same as in 1908. At the outbreak of the war it was about 68,000,000, but 7,000,000 was lost by the cession of various territories under the terms of the Peace Treaty, 2,750,000 by deaths during the war, and 2,500,000 through a decreased birth rate during the war period.

ITALY.—The year 1925 began with a decided move to put an end to the uncertainty and hesitation that had followed the **assassination of Matteotti.** In his speech of January 3 Mussolini, while disclaiming any connection with the deed, assumed full responsibility for it. Several spokesmen of the opposition admitted that they were disconcerted. The editor of the *Critica Politica*, a republican (opposition)

[1] On August 8 close to 600,000 laborers were reported to be without means of support while another 600,000 were working only two or three days weekly.

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review, wrote in the January number: "We confess that we too believed that the end of the Fascist experiment had come. But Mussolini has once again succeeded in downing his opponents." The Aventine opposition having failed in its moral and juridical attack, the three liberal leaders of Italy, Giolitti, Salandra and Orlando, all of them ex-premiers, all of them "cousins" of the king (Collari della Santissima Annunziata) united in a **parliamentary assault on Fascism,** hoping by a decisive act to encourage the seceding tendencies of many members of the Fascist majority who after the Matteotti case had been rather faint-hearted in their allegiance. The attack of the three ex-premiers was made to appear as a final defense of liberalism. Salandra, whose patriotism no one could question, being ill, wrote a very solemn though moderate arraignment of Fascism. But in vain. The approval of the new electoral law (January 19) which reintroduced the uninominal *scrutin,* was a victory for Mussolini and a test of his power over his own parliamentary followers.

After having won its first victory against Communism, and its second one against democratic parliamentarism, Fascism was drawn into a desperate struggle against the opponent of its most fundamental conceptions, which had been fighting against it not solely in Parliament but more effectively in the schools, in the army, in the navy, in the public service—**Free Masonry.** The basic theory of Fascism is that the state is sovereign and governing in fact, not merely in words, its power admitting of no limiting forces excepting its own ethical conditions, its unity rooted in the past, and stretching out into the future. To this state conception a society like that of the Free Masons was inherently inimical. Moreover, as the sworn enemy of the Catholic Church, Masonry was inevitably destined to become the obstacle in the path of Fascism. The fight of the Fascisti against this society was slowly but insistently carried on for two years and finally closed with the law on secret associations passed in November, which resulted in the dissolution of all the lodges affiliated with Palazzo Giustiniani.

This thorough sweeping of the political field was made possible by the **increased prestige of the Fascist administration.** The absence of unemployment, the success of the Holy Year, the favorable settlement with England of the Juba controversy, the agreement with Egypt on Jarabub and Solum, the maintenance of cordial relations with Yugoslavia, the participation at Locarno, the very auspicious settlement of the debt question with the United States, were all elements in strengthening the position of the Fascists. A temporary waver in confidence which culminated at the close of June, and which had resulted in a dangerous depreciation of the lira, was eliminated so completely and so effectually that its departure left the government stronger than before. Mussolini conducted in person this fight in its

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two aspects which were called the "**battle for the lira**" and the "**battle for wheat.**" The reintroduction of the import duty on cereals, agrarian reorganization, closer cooperation between the wheat growers and merchants, better and more intensive agricultural methods, were the means which promised to improve the situation, reduce Italy's dependence on foreign grain markets and remove this potential factor of dangerous fluctuation in the value of the lira. For the direct defense of the lira Mussolini was obliged to abandon his trusted and indefatigable collaborator De Stefani, to whom the credit for balancing the budget is due. His measures against the stock exchange had alarmed the financial powers and the opposition of business had become too strong for him. His successor Volpi brought to his task talent and experience, and to the government the support of the Banca Commerciale and its world-wide organization.

Fascism has been able to avail itself of a most important ally in the process of its consolidation, the **Catholic Church**. Very judiciously and prudently but none the less effectively the Holy See has shown in words and deeds its appreciation for the improved condition of the clergy, for the re-establishment of order and for the elimination of what seemed to be professional anti-clericalism in the preceding Italian government. While decidedly opposed to the Fascist theory, which makes of the state an end in itself and as it were the supreme good of humanity, and while still firm on the Roman question, the Holy See by its benevolent attitude has bridged over considerably the gap that separated the Vatican from the Quirinal.

These activities and repressions must be looked upon as preparatory and in a way negative. The positive side of Fascism was shown in the latter part of the year and especially in the course of the **November session of Parliament** which seems to have been in a measure the constituent assembly of the régime.

One of the significant laws passed by Parliament at this time provided for **legal recognition of the syndicates** or labor unions. The law recognizes a state of fact brought about by the agreement of October 2, 1925, between the Confederation of Fascist Corporations (labor unions) and the Confederation of Industry (entrepreneurs) whereby the two organizations recognize each other as the only representatives of the classes respectively of laborers and employers. Although all the members of a given category are held to certain definite obligations towards a single union or syndicate, they are free to belong to other *de facto* associations which continue to be regulated as in the past by the norms and principles of the common law.[1] A second

[1] Legal recognition is withheld from syndicates which are connected through bonds of discipline and dependence with international organizations, unless authorization for such connection has been granted by the government: it is

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feature of the new labor law is the establishment of state control. The government has the power both to refuse to recognize the nominations of officers and to revoke them, and also the right of vigilance and tutelage. Collective labor contracts are binding, when stipulated between legally recognized associations, upon all employers and laborers of the category involved, whether they belong to the association or not. Controversies which pertain both to the interpretation and application of existing agreements as well as to the formulation of new ones must be referred for decision to the Labor Magistracy. The Labor Magistracy is the Court of Appeals sitting with two experts on labor and production. Strikes and lockouts are punishable with fines and imprisonment.

The **powers and prerogatives of the head of the government** are detailed in a law made up of ten articles, of which the following are the most significant: Art. 2. The prime minister, secretary of state, is appointed and revoked by the King and is *responsible to the King* for the general political conduct of the government. Art. 6. No question can be put in the order of the day of either House without the consent of the head of the government. The head of the government has the power to demand that a bill rejected by one of the two Houses, be again presented when at least three months have elapsed from the time of the first ballot. In this case, a secret vote is taken without discussion. If amendments have been introduced, the discussion is limited to them. Art. 9. Whosoever is guilty of an attempt against the life, the integrity and the liberty of the head of the government is punished with imprisonment for not less than fifteen years, and, if he attains his intent, with life imprisonment.

With this law, the prime minister acquires a definite and eminent political character. His position had never been fixed in constitutional practice. Very firm and permanent in the case of certain men and at certain times (Crispi), it had been very weak and insignificant at others (Facta). In the years that immediately preceded the Fascist advent to power, the Chamber having become a sum of many minorities, the Cabinet, too, became a coalition of minorities, in which each minister, receiving orders from his parliamentary group, would not often take part in any seriously concerted action. Cabinet unity now has been reconstituted but not in the sense in which it was practised before its final collapse in 1919. The premier ceases to be *primus inter pares* and becomes a veritable head. He directs the action of his entire Cabinet, and is the liaison between the King and the various ministers in everything that pertains to the general political conduct of the Cabinet.

also withheld from all associations of employees of the state, of the provinces and of the municipalities, also of public charity organizations. For certain branches of public service, army, navy, etc., membership in any association, whether existing *de jure* or *de facto*, means instant destitution from office.

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Unity of action throughout the kingdom is to be secured by the **extension of the power of the prefects.** The new law establishes the modalities for connecting through the prefect the various local activities and enumerates twelve categories of public service whose directing officials must be regularly called upon by the prefect for consultation and collaboration.

The institution of **Provincial Councils for National Economy** was intended to coordinate economic interests and subordinate them to the interests of the state. In this moment of excessive demographic pressure the economic councils are intended to be a valuable instrument in the hands of the Government for obtaining accurate and enlightened information about all the various economic possibilities and the most suitable utilization of them. For the absorption of labor varies with the varying of the level of national production, which can be regulated most decisively by the state through its custom duties, its credit policy, its transports, etc.

The **institution of the podesta** applies to municipalities of less than 5000 inhabitants and therefore to 7366 out of the 9148 communes of Italy. It also applies to any municipality whose councils have been dissolved twice in the period of two years. It is evidently the intention of the legislators to extend this principle as its effects prove themselves satisfactory. The podestà will have the power hitherto vested in the mayor and in the municipal counsels. The reasons for this change are many. Economies will be introduced, electoral expenditures being done away with; occasionally several communes with populations aggregating not more than 5000 inhabitants may be placed under one single podestà. This institution is intended also to remedy the evils of local municipal strifes so prevalent in southern Italy; and to obviate many political difficulties in northern Italy, where often in late years the gravest demagogic excesses were perpetrated in the smaller towns. It also will eliminate the power of the local Fascist chieftain which in the small centres had become a cause of frequent embarrassment to the government. From these laws it is evident that while the nationalistic element in the new Italian régime makes itself felt by the stress put on tradition and the preeminence accorded to the King, the purely Fascistic force is noticeable in the insistence on social and economic considerations, ignored by the nationalistic theorists, and on the organic, or the corporative, aspect of the state. From the institution of the podestà who must act always in conjunction with the three representatives of the three syndicates (intellectual, agricultural and industrial) to the **reform of the Senate** which is to be constituted at least in part with direct emanations of the capital and labor syndicates, every measure indicates the intention to "unite all classes and categories in a task of national solidarity and social jurisdiction, so that under the sovereign control

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of the political power they may ensure the equilibrium of the forces of the nation and the necessary discipline for the attainment of the power and perpetuity of the State."

RUSSIA: Economic Conditions.—The year 1925 was characterized by further improvement of the general economic life of the country. Agricultural returns were considerably below the expectations of the Soviet Government, mainly because of local crop failures and hoarding by the peasantry. On December 26 M. Kamenev stated at the Moscow Communist Congress that the exports of grain were about 25 per cent below the estimates of the Spring. The latest crop total was given at about 4,000,000 poods. But substantial progress was made in the industrialization of agriculture. For instance, some 12,500 tractors were in operation during the harvest season. During the fiscal year ended on November 30, the volume of industrial production increased steadily month by month, until, for September, it stood at 80 per cent of the corresponding monthly figure for 1913. For the year as a whole, the increase was about 60 per cent over 1924. Industries which doubled or more than doubled their output over the previous year included iron ore, metals, textiles, paper, distilling, rubber, etc. Extensive new mechanization of industry was also effected, as is shown by the fact that while production increased 60 per cent, the average number of workers employed increased only per cent.

During the fiscal year, Russian imports were placed at $316,400,000 exports, at $261,000,000. The feature of the year was the rapid growth of imports from the United States. In 1913, 43 per cent of Russian imports came from Germany and less than 6 per cent from the United States. In the last fiscal year 32 per cent came from the United States and 21 per cent from Germany. During the last quarter of the fiscal year 40 per cent of all imports came from America. The American Soviet trade turnover for the fiscal year 1924-5, according to Soviet customs figures was $113,000,000, more than double that of the previous year and about two and a half times the turnover of 1913. Over $100,000,000 represented American exports to the Soviet Union.[1]

Perhaps the most important change in the Soviet economic administration since the introduction of the New Economic Policy in 1921 was the administrative reorganization effected on November 19 when the Central Executive Committee of the Soviet Union issued a decree which merged the Foreign Trade Monopoly department and the Commissariat of Internal Trade into the Commissariat of Foreign and Internal Trade. The chief purpose of this reform is to organize national commerce as a unit in the same way as national industry is

[1] Russian Information Bureau, Washington, D. C., December 31, 1925. *New York Times,* November 26; December 13, 1925.

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organized by the Supreme Council of National Economy. On February 20 the All-Bokharan Congress of Soviets formally declared the creation of the Socialist Republic of **Uzbekistan**. The new state includes portions of the republics of Bokhara and Turkestan and is mainly devoted to cotton raising, meat packing and flour milling.

Generally speaking, the past year was witnessed a **more liberal interpretation of communist principles** by Soviet leaders. A. Rykov, President of the Council of People's Commissars, in an address at Tiflis on March 5 before the Central Executive Committee of the Union, took cognizance of the importance of the non-communist peasantry, and in April M. Stalin informed the provincial delegates in Moscow that possession of land would be guaranteed to the peasants for at least twenty years. Somewhat later, the Government issued a decree permitting farmers to employ hired labor. On April 30 the Soviet Government made the largest concession yet granted to foreign capital, a fifty-year contract with the British Lena Gold Fields Corporation in which American interests have a fifty per cent share, and on May 8 another important gold concession was made to the British Ayan Corporation. Prohibition was abandoned in October.

A development of special interest in view of this new trend was the return of Trotsky to Moscow. Having been "banished" from the Soviet hierarchy in December 1924, he reappeared on the scene on May 7 and, at the opening meeting of the Federal Congress of Soviets, was elected member of the Praesidium. He was also made the head of the Scientific and Technical Department of the Supreme Economic Council and was appointed Chairman of the important Concessions Committee. At the December meeting of the Communist Party at Moscow he was elected to the Political Bureau (Politburo) of the Party and thus was reincluded in one of the most powerful bodies within the party.[1] M. Frunze, who succeeded Trotsky as Minister of War upon the latter's resignation in January, died on October 31. K. Voroshilov was appointed to head the Ministry of War.

In the field of foreign relations, the **treaty with Japan**, concluded at Peking on January 21, was the most important event. The treaty consists of seven articles and two protocols. Its content may be summarized as follows: (1) Diplomatic and Consular relations were established between the contracting parties (article 1); (2) Russia agreed that the Portsmouth Treaty of September 5, 1905 "remains in full force;" all other agreements between the two states entered into prior to November 7, 1917, may be revised, changed or cancelled (articles 2, 3); (3) provision was made for the conclusion of a com-

[1] The Political Bureau was increased on January 2, 1926, from seven to nine members, who include the following: L. Trotsky, M. Voroshilov, G. S. Zinoviev, M. Molotov, J. Stalin, M. Kalenin, N. Bucharin, A. I. Rykov and M. Tomsky.

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mercial treaty and the reestablishment of economic relations (articles 4, 6); both states agreed to respect "the right of each to arrange its own life within the limits of its own jurisdiction" (article 5). Protocol A reserved the question of Russian debts for subsequent negotiations, it being agreed that Japan "shall not be placed in a position less favorable than any other Government." Both parties declared that "there actually exists no treaty or military alliance or secret agreement with any third power constituting an infringement upon or a menace to the sovereignty, territorial rights or national safety of the contracting parties." According to protocol B Russia granted concessions to Japan in the oil fields situated on the eastern coast of Northern Sakhalin and covering an area of about 700 miles, for exploitation for five years, after which Russia will grant concessions for forty years "in all oil fields which may be established as a result of Japanese exploitation." In payment for the concessions Japan agreed to give Russia a royalty of five to fifteen per cent of the oil output. In the annotations to the treaty Russia tendered an expression of regret for the massacre which took place at Nikolaevsk in 1920.[1] The treaty was ratified on February 20, and a subsequent agreement relative to the Sakhalin oil fields, formerly controlled by the American Sinclair interests, was concluded on November 30.

On December 17, Russia concluded at Paris a three-year guarantee **pact with Turkey.** It stipulated that (1) neither country shall attack the other; (2) in the event of military or naval action against either party by one or more countries, the other party agrees to remain neutral; (3) neither party shall participate in any union or agreement of a political, economic or financial nature by one or more powers directed against either signatory. Attached to the agreement were three protocols. The first gives each country freedom of action in its relations of all kinds with other powers, "outside the limits of the obligations stipulated by the present treaty." The second stipulates that the expression "political, economic or financial nature," shall comprise all financial and economic agreements between any countries directed against either of the contracting parties, and by the third protocol the signatories agree to undertake parleys to determine a method of regulating differences likely to arise between them which are not susceptible of adjustment through ordinary diplomatic channels.[2]

Relations with Poland improved considerably especially after the visit of Tchitcherin to Warsaw in September. Negotiations with the states of Western Europe have not led to any perceptible change in

[1] Translation of the treaty given out by the Russian Information Bureau, in *New York Times,* March 22, 1925.

[2] *New York Times,* December 23, 1925.

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their relations with Russia. The recognitions obtained by the latter in 1924[1] did not remove the problem of the recognition of the Czarist debts upon which Russia's attempts to obtain credits abroad have stranded. A commercial treaty was signed with Germany on October 12.

BALTIC STATES.—The treaty of alliance and the frontier convention which were signed by Esthonia and Latvia in November, 1923,[2] have not yet been put into operation because of various political and economic incompatibilities. However, several agreements have been entered into by these two states and Lithuania. At a conference in Reval in January Esthonia and Latvia carried their negotiations further toward the goal of unification and elimination of customs barriers. The creation of a Baltic union restricted to the former Baltic provinces has been prevented by the chronic indisposition of Lithuania to accept the loss of Vilna and the resulting reluctance of these countries to cooperate with Poland. The Polish-Lithuanian conference which met at Copenhagen on August 31 was unable to solve the difficulties confronting it, and brought about, on the 19th, the resignation of the Patrulis Ministry. It was succeeded by the Cabinet headed by L. Bistras whose accession to office was made possible by his uncompromising attitude toward Poland and who stated on October 6 that diplomatic relations with Poland were out of the question because of Poland's seizure of Lithuania's capital.[3] The Lugano conference which aimed at the settlement of problems relative to Memel, failed to produce any positive results. On the other hand, the importance of a Latvo-Esthonian accord was suggested by the fact that M. Pusta, Esthonian Foreign Minister, was defeated in September partly because of his inability to bring about a workable rapprochement between the two states.[4] That the relations of the Baltic states with Russia have steadily improved was shown by the Latvo-Esthonian-Russian Conference at Tallinn in March. An arbitration treaty was concluded between the Baltic states, Poland and Finland on January 17 and became operative on October 14.

SCANDINAVIA.—The Premier of Sweden, Hjalmar Branting, resigned in January because of ill health, and died on February 24. His death caused no change in the composition of the Cabinet except the addition of C. E. Svensson vice R. Sandler who continued as Premier. The question of a reduction of military expenditures constituted the major problem of the Sandler Government. Such a proposal for

[1] See last RECORD, pp. 171-172.

[2] Texts in League of Nations, *Treaty Series*, XXV, no. 623.

[3] *Helsingin Sanomat*, October 7, 1925.

[4] *Ibid.*, September 3 and 15, 1925.

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reduction was submitted in the closing days of February, and was adopted with slight changes by the Riksdag on May 26. The budget cost of the army was fixed at 107,000,000 kroner and the personnel of the army was reduced to about 10,000. The disarmament problem in Denmark still awaits solution, although the disarmament bill has been discussed for several months. A constitutional change requiring open voting in the National Legislature was passed by the Swedish Riksdag in March.

The visit of President L. K. Relander of Finland to Sweden in June and the return visit of the King of Sweden in August constituted an exchange of courtesies to which public opinion in both countries attached considerable political significance. The growing degree of inter-Scandinavian cooperation was shown in the Arbitration Conventions which were concluded between the four states. Of these agreements, that concluded between Finland and Denmark is typical. It was put into operation on March 7, and provided for the establishment of an Arbitration Commission for all differences between the two countries which cannot be solved by ordinary diplomatic means. The agreement will remain in force for five years.[1] Negotiations were begun on November 13 at Oslo between Sweden and Norway for an Arbitration Commission competent to deal with all questions. The Archipelago of Spitzbergen was formally incorporated into Norway in August in accordance with the Spitzbergen Treaty of 1920.

POLAND.—The question of financial stability constituted the main problem of Polish politics. Premier Grabski who, upon taking office, had effected a stabilization of the *zloty*, was unable to prevent a reappearance of financial difficulties caused in part by excessive military expenditures. Following ineffectual efforts to adjust differences of opinion between the Ministers and the Bank of Poland, M. Grabski and his Cabinet resigned on November 13. The new Cabinet was formed by Count Skrzynski, former Minister for Foreign Affairs in the defeated Ministry (*cf. supra*, pp. 12, 26, 38).

VII. POST-WAR LIQUIDATION IN THE NEAR EAST

Continued **consolidation of the British position** in territories detached from the Ottoman Empire during the Great War has been characteristic of 1925. The League award in the **Turco-Iraq boundary dispute**, assuring a strategic frontier to Iraq, promises a new security to the all-British land and air routes between the Mediterranean, the Red Sea, the Persian Gulf, and India. It also enables the mandatory power to enter upon a new era of railway construction in the

[1] Finlands overenskommelser med frammande makter, 1925, no. 7, pp. 79-85. Identical Conventions were concluded between Finland, Sweden and Norway at Stockholm on June 27, 1924.

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Mosul Vilayet, the natural resources of which are said to afford economic guarantees of sufficient worth to justify in the eyes of the British taxpayer a prolonged occupation of the territory for strategic and political purposes.[1]

In December 1925 a new equilibrium was established in the **Hedjaz** whereby Ibn Saud, Sultan of Nejd, militant leader of the invading puritan sect of the Wahabis, succeeded King Ali as virtual ruler of the Hedjaz. The abdication of King Ali on December 19 was necessitated by the loss of Mecca, Medina and Jeddah and the overrunning of other portions of the Hedjaz by "fundamentalist" Wahabi tribesmen. Instead of supporting their protégé, the King of the Hedjaz, against his hereditary enemy, Great Britain accepted the victory of Ibn Saud as a *fait accompli* and seized a long-sought opportunity to delimit the sphere of the latter's jurisdiction. An agreement, negotiated during November 1925, defined the northern boundary of Nejd, and laid down conditions for safeguarding the frontiers of Transjordania, Iraq and Palestine. In spite of the fall of the Sherifian dynasty, British influence continues to be effective on the eastern littoral of the Red Sea.

A simultaneous change of high commissioners in Egypt and Palestine during the year emphasized the tendency toward consolidation of British influence in the Near East. Lord Allenby, who had exerted a moderating influence upon the Conservative British Government during the crisis of November 1924, was replaced as High Commissioner for Egypt and the Sudan by Sir George Lloyd, former Governor of the Presidency of Bombay.[2] In the same month it was made known that Sir Herbert Samuel, High Commissioner for **Palestine**, would be succeeded by Field Marshal Herbert C. O. Plumer, whose distinguished army record had culminated in his command of the Second Army in France during the Great War. His arrival in Jerusalem on August 25, 1925, to fill the double post of High Commissioner and Commander-in-Chief of British forces in Palestine was believed by many to mark the supersession of Cairo by Jerusalem as the focal point of the British military system in the Near East. The services of one of the foremost British military leaders were made available for immediate use in case of emergency in this region.

Major-General Sir Frederick Maurice was quoted as having said at the Institute of Politics, at Williamstown, Mass., that the British no longer regard the Suez Canal as vital from the viewpoint of military

[1] For accounts of economic and political development of Iraq under British occupation, see report of British Financial Mission, June 1925, and reports of High Commissioners on the administration of the mandate.

[2] On May 20, 1925, Mr. Austen Chamberlain announced to the British House of Commons the acceptance of Lord Allenby's resignation of Feb. 26 and the appointment of Sir George Lloyd to take his place.

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strategy. The war taught, he said, that the point of supreme importance was to prevent the route across the Indian Ocean from being flanked by any power coming out of the Mediterranean. The strategic points have thus become the issues from the Mediterranean to the Atlantic and Indian Oceans at Gibraltar and Aden. British naval patrols and land forces still continue to guard the Suez Canal, however, and there is no intention to cut down the strength of the present British garrison at Cairo. The Committee on Imperial Defense appears not to be in agreement with General Maurice.

Throughout the year there was some uneasiness, but no outbreaks occurred in the Near Eastern territories under British control. Turkish troops concentrated near the provisional Turco-Iraq boundary constituted a threat of war for the possession of **Mosul** in the event of a League award unfavorable to Turkey. In the absence of a definitive boundary decision before December 16, 1925 there was recurrent intrigue within the disputed territory and a general restlessness, aggravated by the arrival in September from the district just north of the provisional boundary of some three thousand Christian refugees who reported themselves the victims of Turkish deportation and atrocities.[1] **Transjordania** was kept in a state of excitement by Ibn Saud's victories in the Hedjaz and by the insurrection in Syria. Although a serious anti-Jewish outbreak was apprehended in **Palestine** on the occasion of Lord Balfour's arrival in Jerusalem, March 25, the activities of the Moslem Committee were confined to an orderly strike and the communication of an anti-Zionist manifesto to the League of Nations and the British press.[2] But there was a growing concern among the indigenous Arab population on account of the remarkable increase in Jewish immigration. In 1923 the net increase of Jewish population through immigration had been 3,788. In 1924 it had risen to 9,814. During 1925 it showed an even more marked in-

[1] For accounts of border incidents see report submitted to the Council of the League of Nations by General J. Laidoner, Sept. 24, 1925: *Question of the Frontier Between Turkey and Iraq—Situation in the Locality of the Provisional Line fixed at Brussels on October 29, 1924* (C. 785, M. 281, 1925, VII), and *Frontier Between Turkey and Iraq: Memorandum on the Investigation Made by General Laidoner's Mission* (C. 785 (a), M. 281 (a), 1925, VII); also *Minutes of the 35th Session of the Council* and *Council Documents* No. C. 464, M. 174, 1925, VII, and C. 471, M. 175, 1925, VII.

[2] *Two Memoranda Submitted to the Council and Permanent Mandates Commission of the League of Nations respectively through H. E. the High Commissioner for Palestine.* Palestine Arab Congress Executive Committee, Jerusalem, April 12, 1925. *The Establishment in Palestine of the Jewish National Home: Memorandum to the Secretary-General of the League of Nations for Information of the Permanent Mandates Commission.* Published Oct. 1924 by the Zionist Organization.

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crease, the average monthly immigration having been three thousand. A large proportion of immigrants arriving in 1925 were people of moderate means who established themselves as entrepreneurs in the rapidly-growing Jewish settlements.[1] The far-reaching educational, industrial, agricultural, scientific and philanthropic enterprises energetically undertaken by Jewish leaders left little doubt in the minds of anti-Zionists concerning the ultimate relegation of Christians and Moslems to the rôle of uninfluential minorities in Palestine.[2]

In **Egypt** a serious political situation was created by the deadlock between supporters of Prime Minister Ziwar[3] and adherents of the parties of independence. The March elections resulted in a majority for the nationalist leader, Zaghlul Pasha, who was chosen to be President of the Chamber. Ziwar Pasha immediately announced the dissolution of Parliament, fearing that before permitting any legislation the Deputies would create an awkward situation by demanding complete independence for Egypt and the withdrawal of British authority from the Sudan. New elections, originally fixed for May 23 were postponed to permit the drafting and promulgation of an altered electoral law, the effect of which was to reduce the number of voters by about forty per cent. Owing to a further postponement of elections Zaghlul Pasha in November called together a Rump Parliament of liberal and extremist Deputies and, declaring the March dissolution illegal, defied the authority of the prime minister. Regardless, however, of the uncertainties inherent in the situation British control in Egypt seems to be more firmly established than at any time since the Armistice.

French administrative policies in the mandated territory of **Syria** were sharply challenged in 1925 by an Arab nationalist uprising of larger proportions than any outbreak of preceding years. Beginning as a local insurrection in the Jebel Druse in protest against the retention by High Commissioner Sarrail of an unpopular French military governor, the disturbance spread with the help of nationalist leaders in Damascus, until a wide territory was involved running north almost to Aleppo and west almost to the Mediterranean. Reinforcements to the number of twenty thousand were despatched to the aid of the ten thousand French troops already in Syria. The replacing of General Sarrail by a civilian High Commissioner, Henri de

[1] *Agricultural Development in Palestine*—report to Zionist Executive by Elwood Mead, 1924. *Industrial Palestine: A Survey of Recent Undertakings and Future Possibilities*, by B. S. Binah, 1924. *Keren Hayesod, Report for 1925.*

[2] The actual situation may be judged by referring to *Palestine: Report of the High Commissioner on the Administration of Palestine, 1920-1925*, by Sir Herbert Samuel. Published as *Colonial No. 15* by the British Colonial Office.

[3] See last RECORD, p. 181.

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Jouvenel, indicated the desire of the French Government to meet in some degree the criticisms aroused in France and abroad by the bombardment of Damascus and by the failure of France to establish in Syria a form of administration approximating that contemplated in the terms of the mandate. During the last week of December negotiations were in progress between the High Commissioner and the Damascene nationalists and Druses. The nationalist demands included a general political amnesty, a constitution based on the sovereignty of the Syrian nation, a clear definition of the mandatory relationship with France, the immediate formation of a provisional nationalist government and the restoration to Syria of territories annexed to the Greater Lebanon under the administration of General Gouraud, first French High Commissioner to Syria. An influential section of the Nationalist group demanded in addition that, following the precedent established by Great Britain in Iraq, the mandatory relationship should be expressed through a Franco-Syrian treaty approved by the League of Nations. The attitude of the High Commissioner was as conciliatory as the terms of his appointment permitted; but inasmuch as he had been instructed to consolidate the French mandate as well as to pacify the country and to reform the administration,[1] he was unable to meet the nationalist demands in their entirety, and the outcome of the negotiations was still obscure when the year came to a close. The Permanent Mandates Commission of the League of Nations was without authority to act in the Syrian crisis and was obliged to confine itself to requesting from the French Government a supplementary report on the insurrection to be submitted in February 1926.

In other respects the **League of Nations** continued in 1925 to exercise an active influence in the Near East. On the recommendation of the Humanitarian Commission it decided on September 26 to supplement the successful irrigation system formally inaugurated in March by the Armenian Government. A League Commission was appointed to carry forward the Nansen plan for opening up to irrigation and settlement 105,000 acres of new land in the Erivan district where it was anticipated that fifteen thousand Armenians from Greece and Constantinople might ultimately be settled.[2]

[1] For accounts of former administrations see official reports of High Commissioners under title, *Rapport sur la situation de la Syrie et du Liban,* July 1922–July 1923 and July 1923–July 1924.

An account of economic conditions in Syria prior to the revolt may be found in H. E. Satow's *Report on the Trade, Industry and Finance of Syria,* published by the British Department of Overseas Trade, May 1925.

[2] League of Nations, International Labor Office. *Report by Dr. F. Nansen, President of the Commission Appointed to Study the Question of the Settlement of Armenian Refugees.* (Geneva, 1925).

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On March 14, the League Council took up a Greek request for intervention, under Article 11 of the Covenant, to avert a possible war between Greece and Turkey over the deportation from Constantinople on January 30, of Constantinos VI, Œcumenical Patriarch of the Greek Orthodox Church.[1] Greek public opinion was deeply stirred by this alleged violation of the Turkish undertaking not to interfere with the Patriachate in Constantinople. The Turkish authorities insisted that it had been necessary to expel Constantinos because he was personally liable to deportation under Article 2 of the Lausanne Convention providing for the compulsory exchange of Greek and Turkish populations.[2] Turkey refused to send a representative to Geneva to attend the Council meeting, intimating that since the Patriarchate question was a matter of domestic concern, while the question of the expulsion of Constantinos VI fell solely within the jurisdiction of the Mixed Commission for the Exchange of Populations, Turkey would not consent to League intervention. The Council adjourned the case until its June meeting, thus allowing opportunity for mutual agreement by direct negotiation. On June 1, 1925, Greece withdrew its request for League action, intimating that the former Patriarch had abdicated and that a new Patriarch would be elected in Constantinople, the Turkish representative on the Mixed Commission having made a concession with respect to the exchangeability of other members of the Holy Synod.

A more direct and difficult part was played by the League Council in disposing of the **Turco-Iraq boundary dispute**, which involved the last major territorial settlement in the Near East arising out of the Great War. On December 16, 1925, the Council defined the Turco-Iraq frontier in pursuance of the powers given it by Article 3 of the Lausanne Treaty. To the Arab kingdom of Iraq, now under British advisory control, was awarded all of the former Turkish vilayet of Mosul with the exception of a strip of mountainous territory along its northern limits in which there has never been an effective British occupation. The decision was reached after prolonged deliberation. From January to March 1925 a League boundary commission had been in Iraq investigating racial, economic, strategic, psychological and other factors entering into the situation.[3] It had reported in July 1925, suggesting that the Council choose one of three possible lines

[1] See last RECORD, p. 178.

[2] *Annual Report of the Permanent Court of International Justice,* January 1–June 15, 1925, pp. 226-230 and 237-239.

[3] These factors are discussed in the L. of N. publication, *Question of the Frontier between Turkey and Iraq — Report submitted to the Council by the Commission instituted by the Council Resolution of September 30th, 1924;* also *Minutes of the 35th Session of the Council.*

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of action: (1) to award the disputed territory to Iraq on condition that Great Britain prolong its mandatory relationship with that country for twenty-five years and on the further condition that a specified minimum of autonomy be granted the Kurds, who form 62 per cent of the population of the disputed district; (2) if these conditions were not met, to award Mosul to Turkey on the theory that the Turkish Republic could maintain a greater degree of domestic and international security than a Kingdom of Iraq free from mandatory control; (3) to partition the Mosul Vilayet so as to give approximately two-thirds of its area to Turkey. Difficulties arose during the September meeting of the League Council when Turkey appeared determined to repudiate the former undertaking of its representative to abide by the Council's forthcoming decision. Recourse was therefore had to the Permanent Court of International Justice which on November 21, 1925, advised that the decision of the Council would be binding upon the disputants and would constitute a definitive determination of the frontier between Turkey and Iraq. Furthermore it stated that the decision should be taken by unanimous vote, the votes of representatives of the disputants not being counted in ascertaining whether there was unanimity.[1] The Turkish Government refused to recognize the right of the World Court to render a judgment in the matter, alleging that Turkey had agreed to the submission of the dispute to the League on the understanding that the decision would take the form of a simple mediation and would not be binding unless concurred in by the Turkish representative. The actual decision of the Council, accepted by the British House of Commons on December 21, 1925, was based on the first recommendation of the boundary commission but was accompanied by an invitation that Great Britain should negotiate a commercial and economic treaty with Turkey on behalf of Iraq. The door was thus left open at the close of the year for Anglo-Turkish agreement which might avert war.

The Mosul boundary award settled the major territorial problem in the mandated territory of Iraq. Previous to this, however, Anglo-Iraq and Anglo-American negotiations had made notable progress in solution of the economic problems connected with disposition of the **Mosul oilfields.** Anticipating the Mosul boundary award, the Turkish Petroleum Company,[2] after application to the government of Iraq, received on March 14 a concession to exploit the oil resources of the vilayets of Mosul and Bagdad for a period of seventy-five years. Simultaneously it was announced in London that seven American oil

[1] *Publications of the Permanent Court of International Justice,* Series B, No. 12, Nov. 21, 1925.

[2] "The Turkish Petroleum Company — a Study in Oleaginous Diplomacy", POLITICAL SCIENCE QUARTERLY, vol. XXXIX, June, 1924.

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companies had been admitted to participation in the Turkish Petroleum Company, which henceforth was to be controlled as follows: twenty-five per cent to the Anglo-Persian Oil Company (controlled by the British Government); twenty-five per cent to the Royal Dutch-Shell group (two-fifths British capital); twenty-five per cent to the Compagnie française des pétroles, representing sixty-seven French companies; twenty-five per cent to an American group, including the Rockefeller, Doheny and Sinclair interests. Execution of the foregoing agreements, however, has been impracticable because of the inability as yet of the Anglo-Persian Oil Company to purchase the five per cent share of Mr. C. S. Gulbenkian. Although, therefore, it cannot be said that American participation in the Turkish Petroleum Company is an accomplished fact, it is apparent that the principles of such participation and of the terms thereof have been agreed upon.

Within **Turkey** the year 1925 was a period of consolidation and westernization. Secularization carried out in 1924 had to be defended in 1925 against the attacks of orthodox Moslems whose stronghold in the eastern vilayets became in February the scene of a formidable revolt against the Angora Government. Under the leadership of the Kurdish chieftain, Sheikh Said, a bitter conflict was carried on for the avowed purpose of reestablishing the Caliphate, restoring the Sheriat (the body of religious laws), and setting up an independent Kurdistan. Vigorous measures were taken by the Turkish government to prevent the spread of reaction. Martial law was declared in the southern and eastern provinces and Cabinet members were temporarily empowered to suspend without trial newspapers and suspected political organizations. In various districts Tribunals of Independence dealt summarily with cases of sedition, including all attempts to stir up religious agitation. The Kurdish revolt was put down in April after more than two months of continuous fighting, necessitating the successive calling to the colors of all classes between the ages of 24 and 40. It also precipitated a change of government at Angora on March 3, when the moderate Fethi Bey was succeeded as Prime Minister by the extreme nationalist leader, Ismet Pasha.[1]

Since the termination of hostilities the energies of the Turkish government have been devoted to the thorough westernization of the country—a policy explained by Mustapha Kemal Pasha in the following manner on September 13: "In vain shall any people resist the torrent of civilization. That torrent is pitiless to the ignorant and

[1] Tendencies toward administrative centralization and the suppression of political dissent in Turkey seem to have been duplicated in **Persia**, where the absentee Shah Ahmad Kajar was deposed (October 31) and the Constituent Assembly on December 13 proclaimed Reza Khan Pahlavi, Premier and Commander-in-Chief of the Army, the founder of a new dynasty of hereditary constitutional rulers.

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the indolent. Before the force of that civilization which has pierced mountains and scaled the skies, the nations which cling to the mentality of the Middle Ages and the religion of primitive miracles are condemned to disappear or to fall into slavery. The Turkish nation has taken an oath to live eternally as a nation civilized and progressive, now that she has broken the chains of bondage at last."

Throughout the year experts were at work drafting a new Civil Code for Turkey based on the civil code of Switzerland and the commercial code of Germany. Its clauses were calculated to establish a thoroughly European civil and commercial tradition. An outstanding feature was the securing to women of much the same rights and privileges as were granted to men. At various periods during 1925 the Government issued decrees affecting national traditions. Included among these were the substitution of the western custom of calculating time from the birth of Christ for the Ottoman custom of numbering years from the flight of Mohammed from Mecca in 622 A. D.; the prescription of European clothing for state officials; the direction that all persons should adopt surnames, and the making obligatory of the substitution of hats for fezzes. The regulation concerning hats was a crucial test of the government's ability to enforce western customs upon the Turkish population, since it interfered with the Islamic requirement that prayers should be recited with covered head and should be accompanied by obeisances in which the forehead touched the ground. Vigorous punishments were meted out by the Tribunals of Independence in instances where the new regulations were disregarded; in general, however, the policy of westernization was accepted by the Turkish population.

In the economic sphere, commendable progress appears to have been made in the settlement of four hundred thousand Moslem refugees received from Greece in the compulsory exchange of populations.[1] Legislation passed by the Grand National Assembly for the encouragement of agriculture, coupled with administrative measures directed to the same end, contributed to the exceptionally favorable condition of agriculture in 1925. During the year steps were taken to increase the number of agricultural schools, to encourage the use of agricultural machinery, to introduce the beet-sugar industry, to promote the growing of cotton and to facilitate the marketing of cereals. Progress was made in the building of motor and wagon roads, and in the construction of branch lines in the Anatolian railway system. A tendency to reduce the adverse balance of trade was apparent in reports of trade for 1924, which also recorded a doubling or tripling of trade with several European countries.[2]

[1] See last RECORD, p. 176.

[2] *For reports on economic conditions in Turkey see monthly issues of the*

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Agreements of importance negotiated by Turkey with foreign powers were (1) the **understanding with France** of April 2, 1925 whereby the predominantly Turkish population of Alexandretta was to be accorded a large measure of autonomy within the mandated territory of Syria, and (2) the three-year **Russo-Turkish guarantee compact** of December 17, 1925, providing that neither country shall attack the other; that neither shall participate in a union of foreign powers against the other for political purposes or participate in any hostile act directed against the other; and that each shall remain neutral if the other is attacked. The **Turco-American Treaty** of Amity and Commerce (see last RECORD, p. 178) signed on August 6, 1923, although favorably reported on February 21, 1925, by the Foreign Relations Committee of the American Senate was passed back to the Committee by the Senate and remained unratified at the end of the year.

The character of Near Eastern problems has changed fundamentally since January 1925. Twelve months ago Egypt was in turmoil, and the Mosul boundary dispute seemed well on its way to amicable settlement; today Egypt is quiet, but the Mosul problem is a menace to the peace of the whole Mediterranean area. Then bitterness over the Graeco-Turkish interchange of populations threatened to bring on a resumption of hostilities; now the great intermigration is completed, and both countries are absorbed in the Herculean task of settling their immigrants. Then the despatch of a conciliatory high commissioner, General Sarrail, to Beirut, promised to do much to improve Franco-Syrian relations; now General Sarrail is back in France, charged with the crime of Damascus, while all Syria is sullen, reproachful, and more bitterly opposed than ever to the French mandate. The outstanding problems of the moment in the Near East are first a Turco-British rapprochement to offset the Mosul decision; second, a reconciliation of Arab nationalism in Palestine, Syria and Iraq to the newer forms of western economic and political penetration.

VIII. THE FAR EAST

CHINA: Foreign relations.—The United States on July 19 remitted the last of the **Boxer indemnity** of $6,137,552. This money was to be used for educational purposes and was to be distributed by the China Foundation for the Promotion of Education and Culture, composed of a committee of 9 Chinese and 5 Americans. France had agreed previously, on April 12, that the unpaid installments of her Boxer indemnity were to be used to rehabilitate the Banque Industrielle de

Levant Trade Review for 1925; also U. S. *Commerce Reports:* No. 52, 1924, pp. 745-7; No. 25, 1925, pp. 736-7. Discussions of the 1925-6 budget and government economic policies appear in the *Economic Review,* Feb. 27, 1925, pp. 187-8, and September 4, 1925, pp. 210-12.

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China which had failed in 1921. The indemnity payments from December 1924-1947 were to be advanced to the Chinese government as a loan.

By August 5, the United States, Italy, Japan, Great Britain, China, Portugal, Belgium, Holland and France had ratified the two Chinese treaties drawn up at Washington and all was ready for the calling of the **Chinese Customs Conference.**

In conformity with the ratification, China issued on August 18, a call for the conference to meet in Peking on October 26. The delegates of the United States were Silas H. Strawn and Minister MacMurray; of Great Britain, Sir Ronald MacLeay, Lt. Col. Sidney Cornwallis Peel and K. D. Stewart; of Japan, the ex-minister to China, Mr. Hioki. The conference met on the appointed day, the Chinese Foreign Minister Shen Jui-lin being elected chairman. Mr. C. T. Wang proposed Chinese tariff autonomy by January 1, 1929, and an interval surtax of 5% on ordinary goods and 30% on Class A goods and 20% on the Class B of imports. A week later the powers had agreed to tariff autonomy in principle, and accepted it as a fact by November 19. Thus China was to have freedom from tariff supervision by January 1, 1929, and at the same time abolish the likin or provincial tariff duties. Minister MacMurray proposed an interim tax of 12½% on some goods, while Minister Hioki favored the idea of allowing each country to arrive at a separate agreement with China. The Washington Treaties had provided for a 2½% increase, but the Chinese desired a 5% addition. The Japanese official Yashizawa said this would disturb trade. As a result a compromise was reached by a committee report of November 9. It was agreed by all, November 14, that the rates of the Washington conference should take immediate effect, all other questions being left for a later discussion.

A more serious state of affairs arose in China, over the repeated clashes between Europeans and Chinese.[1] During February, April and May repeated strikes took place among Chinese workers in Japanese cotton mills. They complained of brutal treatment, low wages, and bad working conditions. These strikes occurred at Tsingtau and Shanghai. The most serious one broke out at the Naigai Wata mills near **Shanghai**, May 22. The Japanese armed, and in firing on a crowd of workers killed one. On May 30, a parade of strikers and students demonstrated in the foreign quarter. An

[1] On February 21 China turned over to the Dean of the Diplomatic Corps at Peking $300,000 as compensation for the robbery committed upon foreigners May 26, 1923, when a Peking-Shanghai train was held up. Of this amount the U. S. received $92,000 for loss of baggage, and $52,000 for loss of liberty to its citizens.

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order to disperse was followed by a volley by the Sikh police and resulted in the loss of 9 killed, and 20 wounded. Riots during the next three days brought the loss to 20 killed and more wounded. Italian, British and United States marines landed in Shanghai, June 2, and had the situation in hand by June 9. The immediate results of this affair were the outbreak of riots, boycotts of European goods, and anti-foreign feeling. By June 5, 100,000 strikers were out in Shanghai, while even house servants in the British legation refused to work.

The feeling against the British and Japanese was serious and widespread. Riots broke out at Swatow July 4, Canton July 24, Nanking July 31. At Hankow a British Volunteer Company fired and killed four Chinese on June 11. Such acts were promptly followed by a boycott of English goods, refusal to load and unload ships, or permit English ships in Canton. The loss sustained by Hongkong was over $1,000,000 a day. In Shanghai there was a strike for over ten weeks, while it was as effective in Hongkong and Amoy. On August 12, fatal riots occurred in Tientsin and Hongkong. The boycott was not only personal, for on July 15 the Chinese government refused bids on English railroad material. Indeed the Japanese and British legations at Kiu Kiang were burned and looted June 13, while a riot at Canton near the foreign quarter resulted in the loss of thirty lives, through the fire opened by British and French marines. A few days previously, June 11, the American gunboat Pompong[illegible] was fired on at Whampoa, and returned the fire.

The results of these measures were to draw statements from Foreign Secretary Chamberlain and Shidehara far from favoring a conference on extraterritoritality. Indeed it was announced in the House of Commons in October that the British had decided not to evacuate Wei-hai-wei as they had indicated they would, during the Washington Arms Conference. By the end of September affairs were much quieter. Shipping was moving more freely, the Chinese postal strike was at an end, and the boycott on Japanese goods had been lifted. The Japanese mills after two months' idleness were in operation, through the efforts of S. Yada and Hsu Yuan. Wages were not advanced, but $10,000 was paid for loss of life.

The proposals by Great Britain for a judicial inquiry into the events of May 30, were looked upon unfavorably by the Chinese, who indicated on September 22, that an inquiry had already been carried out by the Diplomatic Body. They requested that negotiations be resumed to clear up the matter. On October 6, the judicial inquiry was undertaken by Sir Henry Collen, Justice of Hongkong, Judge E. G. Johnson of the Philippine Supreme Court, and Judge Kisaburo Suga of the Tokio Court of Appeals. The decision was handed

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down December 23. The report was not unanimous. Judge Johnson held that had the police force been larger the need to fire might not have arisen. The British and Japanese exonerated the police force and Inspector Everson and Commissioner K. T. McEwes. Judge Johnson pointed out that McEwes had been absent from the city three hours and on his return failed to investigate conditions. The result was that the two officers resigned, but received compensation from their compatriots for the loss of their positions.

Internal Affairs. — President Tuan Chi-jui (see last RECORD, p. 183) at once set to work to plan the reorganization of his government. On December 24, 1924, he issued a call for a **reorganization conference**, which was in turn to make way for a citizens' conference to devise plans for the permanent administration of the country. The preliminary council was shorn of all constructive power, and limited almost exclusively to the military and politicians, since educators, merchants and bankers were rigorously excluded. Indeed the invitations to this council were sent to but 166 persons, of whom only 146 answered the call when the conference convened February 1. A rift appeared in the conference almost immediately through the refusal of Sun Yat-sen to cooperate when his plans were rejected, but on March 12, the death of Sun Yat-sen, who had been suffering from cancer, removed this friction from the ranks of the conference. The conference during its sessions to April 21 was conducted with extraordinary secrecy. Among the topics discussed were the problems of opium-smoking and military expenditures. The President suggested that the military expenditure be limited to one-third the national budget and the army be reduced to 500,000 men. In the last analysis no decision was arrived at but to issue to call for the meeting of a citizens' conference composed of delegates elected in the provinces. This conference was to make its report to a committee appointed by the government for the purpose of drafting a new constitution. In the meantime a provisional Senate was to convene.

One result of the rehabilitation conference was the calling of a like body to discuss financial matters. In addition the adherence of such distinguished men as W. W. Yen and C. T. Wang as advisers, although not members of the cabinet, did much to strengthen the régime of the provisional government. These two individuals with Wellington Koo were also members of the newly formed Foreign Relations Committee. On June 30 the Assembly was convened in session, after the dissolution of the reorganization conference.

In spite of these constructive measures the **civil war** in China continued with but slight intermission. General Lu Yung-hsiang, the former tuchun of Chekiang who had been driven out by Chi Hsieh-yuan of Kiangsu, returned from Japan. On December 12 he was

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made pacification commissioner of Kiangsu, in place of Chi Hsieh-yuan. With the aid of Chang Tso-lin he was successful in defeating his former conqueror, who fled to Shanghai. Fighting was resumed on January 11 south of Shanghai. The next day Chang Yuan-ming, Peking Defense Commissioner, fled, leaving the anti-Anfu leader Chi Hsieh-yuan in control of the district. The earlier defeat of Chi Hsieh-yuan had been caused by the desertion of his former ally Chang Yuan-ming to the Peking faction, while his victorious capture of the Shanghai district was due to the timely aid of General Sun Chuan-fang of Chekiang province. Yet by the end of January the tables were again turned and Chi Hsieh-yuan was a refugee in Japan. For Marshal Lu Yung-hsiang had occupied Nanking, January 10, and landed his Russian troops at Chinkiang six days later, and at once moved on Shanghai. The defeat of Hsieh-yuan at Chin Kiang January 18 and his flight on January 28 ensued in rapid order. The result of this campaign was to strengthen the influence of Peking over Shanghai and further weaken Wu Pei-fu. With the creation of Chang Tso-lin and Feng Yu-hsiang as defense commissioners by Peking for Manchuria and the Northwest, the nominal control of Peking over all but the south and central parts of China was made secure.

The scene of civil war was now removed to south China, especially around the city of Canton. On March 5 the forces of Sun Yat-sen's Kuoming-tang party occupied Swatow, and drove out General Chen Chiung-ming. Even here the word of Peking was felt. General Tang Chi-yao, tuchun of Yunnan accepted the post of Vice-Generalissimo of Canton from Peking. This at once caused a split in the People's party, as the executive committee accused him of cooperating with their enemy Gen. Chen Chiung-ming of Swatow. Due to the absence of the Canton troops at Swatow, he was able to defeat their forces at Nanning (Kwangsi Province), April 28, and march on to the capital of south China, but was unable to take the city.

In October it was reported that nine provinces in Central China had signed an alliance. Many saw in this the hand of Wu Pei-fu strengthening himself against his old enemies. In any case the year 1925 was not to see any outbreak in the central part of China. Instead, as 1924 had seen the elimination of Wu Pei-fu from Peking, the end of this year was to witness the final withdrawal of Chang Tso-lin to Manchuria. General Feng Yu-hsiang had long chafed at the influence of the Manchurian war lord Chang Tso-lin. The attack of Sun Chuan-fang, who had taken Shanghai October 16, on the forces of Chang Tso-lin near the city ended in their escape to Pukow, although some were captured. Yet the advance of the victorious troops was checked at Hsuchow, and they were forced to fall back

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to Penghu in December. Early in the next month Governor Yueh Wei-chun of Honan expelled the forces of Chang Tso-lin from the important province of Kiangsu.

Not only was Chang Tso-lin beaten in China proper but his very hold on Manchuria was threatened. One of his important generals, Kuo Sung-lin, rebelled in December. So ugly did the situation become that the U. S. Minister MacMurray reported his position as hopeless on December 7, with Kuo Sung-lin at Chinchow only 175 miles from Mukden and Chang Tso-lin in retreat. So prevalent did rumors become that the Japanese were aiding Chang Tso-lin, that the Japanese embassy at Washington most emphatically denied the allegation on December 8. On December 17 Japanese troops, as permitted by the treaty of Portsmouth, entered Mukden. All fighting within six miles of the city and the railroad to Dalny was at once prohibited. At the same time Marshal Chang Tso-lin managed to hold the line of the Liao river where he collected an army of 80,000 men. With a superiority in cavalry, artillery and aeroplanes he awaited the attack of his mutinous general. The outcome was soon decided, for on December 23, he was victorious at Paikifu near Hsinmin-fu. General Kuo Sung-lin was captured and executed, December 26.

But although he had managed to save his Manchurian possessions, General Chang Tso-lin had been eliminated from China proper by his rival Feng Yu-hsiang. The latter at once took advantage of his opponent's misfortunes. On December 17 he began an attack at Jegow 160 miles south of Peking, but was not successful. Nor was his drive on Gen. Li Ching-ling on the Yangtsun front any more successful two days later. Then with the aid of Russian troops and a heavy bombardment he attacked on December 20 but with as little advantage. Two days later he was able to drive back General Li Ching-ling, the governor of Chihli named by Chang Tso-lin, and on December 24 entered Tientsin in triumph. This eliminated the power of the Manchurian warlord from China proper and left Feng Yu-hsiang (the Christian General) supreme in Peking, Wu Pei-fu in the Yangtse valley, and the People's party in South China.

JAPAN: Internal Affairs.—On January 14 the **Imperial Diet** began its session. At once the attack began on the Prime Minister's policy of economy, his attitude towards the Singapore naval base, and alleged weak policy with regard to the United States naval maneuvers and immigration restriction bill. Indeed, for these very policies, an assassin had attempted, but fortunately failed, to take the life of the Prime Minister on January 10. Viscount Kato outlined a scheme for economy, universal suffrage and reform of the House of Peers. The position of the coalition ministry, supported by the Seiyukai, the Kensekai party, and the Kakushin club was not at all secure. The

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budget (1,524,000,000 yen) for the year 1925–6 was passed by the House, February 12, but with great difficulty and disorder, the Opposition leaving the chamber.

At this time the Japanese **Alien Land Act** of 1910, which had never been promulgated, was put before the Diet February 27, and passed on March 16. This act provided that nationals of any country barring Japanese from owning land should be treated in the same way when attempting to own land in Japanese territory. This act of course was directed at the United States in retaliation for the Immigration Act of July 1, 1924.

The most important measure of the session was the **suffrage bill.** The bill was discussed on February 21, the police guarding the House from assault by superpatriots and reactionaries. On March 2 the bill was passed by the House, modified by the Peers March 26, and a compromise finally agreed upon two days later, and passed the next day. The franchise was now given to all male citizens over thirty years of age, except those receiving government support, and convicts without payment of the three-yen direct tax, which was the sine qua non for a voter in 1910. This act alone raised the male voters from 3,000,000 to over 14,000,000.

On April 4, Minister of Commerce Takahashi, the head of the Seiyukai party announced his intention of resigning from the cabinet. His place as head of the party was taken by General Baron Giichi Tanaka, an old rival of Premier Kato. The coalition Cabinet was thus put in a precarious position through the loss of one of its chief members. In spite of this adverse event, the cabinet carried out a **reform of the Upper House.** It was now provided that a majority of peers was unnecessary in that body. This permitted the appointment of a larger number of experts, large taxpayers and business men. In order to quiet hostile demonstrations and subversive movements a "peace preservation" act was passed providing prison sentences for various kinds of communistic activity.

The long expected **crisis in the Cabinet** arrived on July 30. Upon the refusal of three members of the Seiyukai party to resign, the prime minister placed the resignation of all the cabinet in the hands of the Prince Regent. He then formed a new Cabinet, composed of the old, with the addition of three members from his own party, the Kenseikai, to take the place of the expelled members. At once the Seiyukai, led by Tanaka, sought closer cooperation with the Seiyuhonto, in order to create an effective opposition. Although the crisis came over the question of the transfer of the land tax to the prefectures, the real problem was economy in the army and navy. The army asked 215,000,000 yen, an increase of 15 million yen over 1925, while the navy demanded 325 million yen for auxiliary vessels between 1926-31. This latter was reduced to 158 million yen for

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three years, required to build four 10,000-ton cruisers and ten submarines. The naval shipyards laid off 6,000 men, the arsenals an equal number and the navy personnel 12,000 men, reducing its numbers to 72,000. Viscount Kato had reduced the one-year term of compulsory military service to four months and the two-year term to sixteen months.

The census of October 1 gave Japan a population of 59,736,764, an increase in five years of four million. In the face of this a project was launched to colonize three million in Hokkaido, and more in Mongolia, while 5,000 were to go to Brazil in this year. At the same time it was shown Japan had 406 labor unions with 227,677 members.

Popular resentment of the United States immigration law of 1924 (last RECORD, pp. 28-29) was rekindled by the maneuvers of the United States fleet off Honolulu and the naval visit to Australia, in spite of the fact that both Admiral Okada and Foreign Minister Shidehara emphatically stated that the naval maneuvers were not in conflict with the Washington Arms Conference. The Japanese training squadron that visited San Francisco between January 20-30 was well received. But even this and the gift of $1,000,000 by J. D. Rockefeller, Jr. to rebuild the library of the Imperial University, did not prevent the celebration of the National Humiliation Day, July 1, the first anniversary of the United States Immigration Act (see also Russia, *supra*, p. 114).

SIAM.—On February 14, Siam signed an important treaty with France. Siam was granted full tariff autonomy, and given judicial power over French subjects. At the same time France conceded to Siamese subjects the right to navigate the Mekong river. King Rama VI died on November 26, and was succeeded by his brother, Praja Dhipak.

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BOOK NOTES

(Unsigned Book Notes are by the Editors)

It is no uncommon experience to hear it said that our political organizations are no longer distinctive, that the Republican and Democratic parties take no real issue on any principle and are fundamentally very similar. This contention is examined in Arthur N. Holcombe's *The Political Parties of Today* (New York, Harper & Brothers, 1924; viii, 399 pp.). In general, the Constitution, by restricting the power of the central government, has limited the number of issues available for a national organization; religious and racial questions are barred; national defense and war-making have never been safe issues for any length of time. Thus the real points in dispute which can be used are generally connected with the economic powers such as taxation, regulation of commerce, finance and the public domain. As the major purpose of political control is therefore economic, the author points out the nature of the important economic interests and the sectional nature of their geographical distribution. Upon these constitutional, economic and sectional bases our present party system has been built. Historically its growth can be divided into several periods each of which has been marked by the preponderance of a definite interest or alliance. It is demonstrated how each new party alignment has been caused by a rearrangement of economic groups and a shift in control. The author's contention then is that the possibilities of change in the political world generally are limited to new economic-sectional arrangements; today, for example, he sees but two possibilities—the formation either of a farmer-labor or of an exclusively agrarian party. Finally, the parties of today are not "empty bottles" that have outlasted their usefulness but rather by their very "evasions of contentious issues and concealments of grounds for social friction" they harmonize and keep in equilibrium a number of often conflicting economic interests. The brief space allotted to this notice, it is feared, does not give adequate realization of the value of this book. For in addition to offering a very interesting explanation of the function of our political parties, it provides a concise economic interpretation of American politics since 1844. The fault of the book is that its clarity, emphasis and convincing exposition tempt the reader to forget the traditional and personal factors in the history of political organization.—Roy F. Nichols.

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Rural police administration is probably destined to be revolutionized within the next ten years. The sheriff and the constable have degenerated into mere process servers for their respective courts. Recognizing their inadequacy as police officers, they have largely withdrawn from the rôle of policeman into that of court bailiff. This means that the protection of life and property in that part of the United States not included within towns and cities with police departments, is a function left unperformed. It is this need that the state police is intended to meet. The first genuine state police department was established by Pennsylvania in 1905. New York, Michigan, West Virginia, New Jersey, Massachusetts, and very recently Rhode Island and Maine have followed the pattern of Pennsylvania. In Mr. Bruce Smith's *The State Police* (New York, The Macmillan Company, 1925; xiv, 280 pp.), it is pointed out that this new factor in state government embodies distinct departures from traditional American administrative methods and organization. It is "more nearly akin to the police forces of Europe than to the most common type of American police department." The tenure of the heads of state police forces has been kept secure against political changes, simple but flexible organization plans have been followed, traditional civil service methods (notoriously injurious to good police administration) have been ignored, while politics in appointments and in the distribution and operation of the force has been adjourned in all of the departments established. The fact that organized labor has bitterly opposed the establishment of state police departments, while organized employers have worked with equal energy to extend them to many other states, has not been ignored in this study. Mr. Smith concludes that the charges of organized labor that state police are primarily intended for strike duty and that in practice they have been unnecessarily harsh and brutal in dealing with strikers can hardly be substantiated. The evidence, he says, is so confused and conflicting as to make impossible a satisfactory judgment. This problem, which is of policy rather than of administration, is not discussed at length, although it is made quite apparent that the organization of police in a state like West Virginia shows a distinct relationship between the distribution of police and the danger of industrial conflicts. This is not evidence of a "capitalist plot" but a sound recognition of the fact that more crimes are committed where there are more people. Mr. Smith makes clear that there is a need to devise a legal method of removing labor's objections to an agency that seems to offer such sorely needed protection to the rural population against crime. The task to which Mr. Smith has

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addressed himself is done with ample illustrative material, with proportion and with a measured and restrained sense of values. One is disposed to conclude after considering Mr. Smith's review of the benefits of state police, that labor should produce a very strong case indeed to warrant other American states in rejecting an agency so successful in its initial trial.—RAYMOND MOLEY.

In his latest book, *Reconstruction* (New York, Funk and Wagnalls Company, 1925; 383 pp.), Mr. J. D. Whelpley has covered a great deal of ground, and has clearly expressed his opinions concerning the European situation. As a summary of the present position of the more important European states, the book is an addition to the literature of the moment. The first part of the work is devoted to a survey of things in general. Mr. Whelpley touches upon the post-war sufferings of the individual, and bewails the cynicism and disillusionment that have become incorporated in the growth of the younger generation. He then stresses the contrast between the attitudes of Great Britain and France with respect to the rehabilitation of Germany, and berates all governments of all nations as ignorant and grasping. He declares that every country is in the grip of fear and hatred, and is held back from the hope of a new day by the "plain business man", whose only effort is to return to the conditions of 1914. In Part II we have an interesting summary of the economic condition of the leading European countries. Then the position of the United States in European affairs is brought in, and the hopelessness of trying to collect our nominal debts is reiterated. The book closes with the assertion that our participation in European questions is obligatory. For those whose outlook and interests have hitherto been bounded by the Atlantic and Pacific oceans, or by even narrower limits, Mr. Whelpley's essay will prove a useful start in education. It is easily written, comprehensive, and to a beginner in the field enlightening. To those whose interests in European matters are of long standing, however, it will seem elementary and superficial. It is filled with truisms and "fine writing", and many of its conclusions are either trite or highly debatable.—J. W. Angell.

All students of money and banking will be interested in the new edition of H. G. Moulton's well-known work, *The Financial Organization of Society* (Chicago, University of Chicago Press, 1925; xxxix, 780 pp.), and will welcome its appearance. The descriptive material has been brought down to date and elaborated, and there is a new chapter on urban real estate financing. The most striking change,

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however, is the addition of an "Introduction to Teachers". In it Moulton explains and defends the motives that originally led him to depart from older precedents, and to write a book of this type. In brief, his criticism of the traditional treatments of money and banking is that they assign to money an altogether secondary rôle, and consider it, in largest part, only in connection with the exchange of finished products. Moulton's own thesis is that money really provides the sole possible starting point for any analysis of the structure and operation of pecuniary societies as a whole, and is the connecting link which holds their various parts together. It is as important in production as in exchange, and as important in distribution as in either. It is the motive force that sets the whole economic process in motion, and that keeps it working. Most economists of the present day would agree with these propositions. But they suggest an ambitious program of reconstruction, and of new building, which Moulton is very far from having carried out. What his book really offers almost exclusively, despite its title, is an account of the financial *institutions* (interpreted broadly) of American society, not of its *organization*. Except for the ingenious charts which are introduced at appropriate points, there is little more attempt than in any other text to show the relations of any one such institution to the others, or to explain the financial organization and operation of society as a whole. Moreover, although Moulton has brought together much material not easily available elsewhere, which he presents with happy clarity, his treatment of even the individual institutions and processes is almost entirely descriptive. He rarely undertakes to discuss the whys and wherefores of the facts and phenomena at issue, and makes few ventures into the subtleties of generalized analysis. The result is not only to make the book seem more elementary than it really is, but also to leave the student somewhat uncertain as to what it is all about—and a little bored. It is too much like "doing" an unfamiliar art gallery in a hurry; one gets only a blurred impression of a series of pictures, inadequately related to one another. Finally, the book contains only the most perfunctory reference to the determination of prices, and to the relations between them and the volume of money and credit. Yet surely the problems here involved, whatever the doctrinal position one adopts, are at the very heart of the structure and functioning of any pecuniary society. It is not easy to account for their omission, or to justify it.—JAMES W. ANGELL.

In recent years especially, the field of thought that lies between economics and law has attracted an increasing amount of attention

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from students of both provinces. Arthur Nussbaum's *Das Geld in Theorie und Praxis des deutschen und ausländischen Rechts* (Tübingen, J. C. B. Mohr, 1925; xv, 278 pp.) is an interesting German contribution to the field. Nussbaum begins with a protracted examination of the principal monetary concepts and their legal interpretation—of money itself, the nature and functions of legal tender, the other kinds of circulating media, debts and their liquidation, and finally the determination of the legal value of money. In this last connection he adopts what is essentially a nominalistic position, of the type made familiar by Knapp and Bendixen. He avoids, however, the economic errors into which German nominalism has usually led its adherents, and recognizes the practical dominance of exchange values over the values established by governmental action. In the second part of his work, Nussbaum examines the monetary problems of actual practice. These he resolves into the effects of changes in the value of money upon outstanding debts, and the questions raised by inter-currency transactions—dealings in foreign exchange. His treatment, however, is almost entirely confined to a rather elementary description of the successive laws and decisions dealing with these matters, chiefly in Germany alone. There is little attempt at interpretation, and still less at criticism. The book as a whole is a reasonably convenient digest of the more important legislative and judicial pronouncements in Germany, but it is neither inspired nor profound. Nor is the significance of German monetary history in the last ten years more than hinted at.—JAMES W. ANGELL.

The return of Great Britain to the gold standard in April last was almost universally acclaimed. But there were some students of money who gravely doubted the economic wisdom of attempting to put the pound sterling on a gold basis in the international market while domestic prices were still on an inflated paper basis. The outstanding critic of the government's policy was John Maynard Keynes. In his *Monetary Reform* (New York, Harcourt Brace and Company, 1924; viii, 227 pp.) Keynes set forth clearly the theory of monetary reform. He outlined a plan of his own and pointed out the consequences that would follow a premature reestablishment of the gold standard on the pre-war basis. Subsequent events have almost completely borne out Keynes's predictions; and he, if anybody, is entitled to sit back and taunt his critics with the exasperating reminder, "I told you so."—E. E. AGGER.

It is often lamented that in the study of the social sciences it is difficult to take advantage of the exact laboratory methods which have

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contributed so much to the development of the natural sciences. In the field of money and credit, however, the Great War brought so many startling innovations, with such comprehensive and far-reaching social results, that much material closely approximating laboratory data has become available. Practically every country had to face monetary and financial difficulties of some variety, yet each country's experiences were to some extent peculiar. There is need therefore for careful research which will examine results in the several countries independently. Thereafter the results may be more broadly brought together. An interesting and valuable contribution to this necessary and preliminary work is John Parke Young's *Central American Currency and Finance* (Princeton University Press, 1925; xviii, 258 pp.). This is a study of the monetary situation in the five Central American countries, Guatamala, Salvador, Honduras, Nicaragua and Costa Rica. In each case enough of the historical setting is supplied to enable the reader to understand the more modern developments. The title of the book might lead one to expect some discussion of revenues and taxation but there is little reference to public or to private finance beyond that involved in the presentation of the matters relating to the money system. —E. E. AGGER.

It is usually claimed as one of the gains of the Great War that the American people were educated in the art of investment. The Liberty Loan campaigns supplied the school for this purpose. At any rate it must be conceded that never before have there been in the United States so many investors in bonds, stocks and other securities. A place has thus been made for some good books on the subject. One of the best that has recently appeared is that of A. M. Sakolski, entitled *Principles of Investment* (New York, The Ronald Press, 1925; viii, 503 pp.). This book by a student who has long had a favorable reputation as a statistician and an analyst is much more than a mere manual. It gives first of all an interpretation of the social function of investment and then proceeds to deal fully with the nature and procedure of investment, stressing the factors involved in a consideration of the different types of securities. The book is practical as well as theoretical and it should win wide favor.—E. E. AGGER.

The importance of local enterprise in Texas and New Mexico as causes of the Mexican War and of difficulties entering into the struggle for the Compromise of 1850 is demonstrated by William Campbell Binkley in his study, *The Expansionist Movement in Texas, 1836-1850* (Berkeley, California, University of California Publications in History, Volume XIII, 1925; x, 253 pp.). When

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Texas revolted from Mexico and became independent, her legislative body at once proclaimed boundaries including the celebrated strip between the Nueces and the Rio Grande and the eastern half of what is now New Mexico. These areas had never been occupied by Texans and the claims of the new republic to them were very shadowy. The reasons for this action were various but important among them were the hopes of a large and salable public domain and of opportunities for trade with the Mexicans. The claim to the Nueces-Rio Grande territory was one of the causes of the Mexican War. The claim to New Mexico and the various attempts to occupy it and trade with the Mexicans in the vicinity during the period of independence, caused the Mexican inhabitants to become suspicious and unfriendly. The consequences of this feeling became apparent when the United States seized New Mexico and California; the New Mexicans demanded a territorial government of their own, while Texas wanted the eastern half of New Mexico placed under her jurisdiction. This conflict of desires became entangled in the slavery dispute when it was placed before Congress and the solution of the problem was a part of the Compromise of 1850. As finally settled, the New Mexicans obtained territorial government, the anti-slavery group cut down the slave state of Texas, and Texas had her debt assumed by the United States as compensation. Much valuable detail is presented regarding the difficult economic and financial conditions in Texas during the period of the republic and the remedies sought in expansion and diplomacy. The book is very carefully and clearly written almost entirely from southwestern sources; it is illustrated by a number of excellent maps which add much to the already clear exposition of the complex situation.—R. F. NICHOLS.

A little book that adds to the literature of an important subject without greatly enriching it is *The British Commonwealth and Its Unsolved Problems* (London, Longmans, Green and Company, 1925; x, 176 pp.) by Mr. C. M. MacInnes, Lecturer in History in the University of Bristol. Since the British Empire includes a league of nations (i. e., the United Kingdom and the Dominions) and contains representatives of nearly all races, the author regards it as a laboratory for devising better means of international and interracial cooperation, and thinks that if it fails to solve these two great world problems there is no chance that the League of Nations will succeed. His discussion of the problem of Dominion status is sane, if not distinguished by much penetration or originality of thought. What he has to say about the problem of India, however, is marred by his

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imperialistic prepossessions. It is impossible to convince Indians of the sweet reasonableness of the British Raj by attempting to condone the massacre of Amritsar. Such an attempt does not promote interracial goodwill.

Carl Brinkmann's volume entitled *Englische Geschichte, 1815-1914* (Berlin, Deutsche Verlagsgesellschaft für Politik und Geschichte, 1924; x, 212 pp.) attempts to interpret and correlate England's domestic and imperial policies during the last century. Emphasis is placed for the most part on political events rather than on social and economic, and data have been obtained mainly from the larger secondary accounts rather than from the sources. Of the three parts into which the volume is divided the first deals with the age of reform, the second with the Victorian period at its height, and the third, in which events are clustered about the activity of Disraeli, Gladstone, Salisbury and Lloyd George, with the subject of imperialism. The account is interesting in theme and presentation but is not without errors of detail: for instance, Lowe was not a member of Russell's ministry of 1866 (p. 114) as Bright's famous quatrain makes clear. The Ballot Act (p. 120) was passed in 1872, not 1870. The dates given for Dickens's *Bleak House* (p. 120) and for Lord Randolph Churchill's death (p. 164) are incorrect. The statement concerning Disraeli's baptism (p. 31) disagrees with Monypenny and Buckle and with the *Dictionary of National Biography*. The Derby (p. 90) was named for the twelfth and not the fourteenth Earl of Derby. There is confusion over the relatives of Castlereagh (p. 82) and of Lord John Russell (p. 153). Moreover it may be questioned whether omission of important data will not give a reader false impressions concerning the legal methods used to deal with corruption at elections, or, in colonial affairs, concerning the way in which India was restrained from a successful revolt in the 'fifties, or, in foreign affairs, concerning England's relationships with her neighbors during the latter part of the period which the book covers. Perhaps the footnotes may be considered adequate enough to guide the careful reader. At any rate a very fine bibliography will prove of use to those who find the text too restricted in scope.—Joseph H. Park.

That the changes which have come to be suggested by the phrases Industrial Revolution and Agrarian Revolution, gave more than political and industrial problems for the future is to be clearly seen in William Law Mathieson's *English Church Reform 1815-1840* (New York, Longmans, Green and Company, 1924; x, 180 pp.).

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The growth of industrial districts and agricultural progress both put pressure upon the Church to improve its discipline and financial resources. The clergy of the early nineteenth century, however, apparently found Church reform as distasteful as staunch Tory statesmen found political reform. They lost battles over the repeal of the Test Act, over Catholic Emancipation, and finally over Parliamentary Reform. This latter measure was dreaded by them mainly as a blow to the privileged position of the Church: "It was notorious that those who were clamouring for a system of genuine representation proposed to use it as an instrument of ecclesiastical as well as political reform." As Blomfield and other Church leaders foretold, a reformed Parliament was destined to deal, amid the many pressing social problems of the day, with Church reform, though not in as radical a fashion as had been feared. Measures concerned with the Church's relations with the community at large, i. e., a Tithe Commutation Bill of 1836, a Registration and a Marriage Bill (1836), measures concerned with the internal economy of the Church, i. e., an Established Church Bill (1836), leading to the establishment of the Ecclesiastical Commission, a Plurality Bill (1838), a Dean and Chapter Bill of 1840, a Church Discipline Bill (1840), aimed to make the Church able to meet the demands of the new age. A discussion of these acts together with the lives and activities of noteworthy clerical leaders and the initial phase of the Oxford Movement takes up the latter half of the volume. And if it may be questioned whether this portion of the study is not too technical except for those who are primarily interested in Church history, it can be asserted that the first half sets forth so well certain social problems of the time of the Great Reform Bill—from the point of view not usually given in the political histories—that students will add the volume to the list of books which customarily are used to tell the story of this period.—JOSEPH H. PARK.

Mr. James A. Williamson's previous writings have established his reputation as a careful student of early English commercial and colonial expansion. A phase of this subject of which very little has been known he explores in a masterly fashion in his *English Colonies in Guiana and on the Amazon, 1604-1668* (Oxford, Clarendon Press, 1923; 191 pp.). He shows that Sir Walter Raleigh's ill-starred adventure in Guiana does not stand by itself but is part of the story of an active English interest in that region during the first half of the seventeenth century. In the early years of the century the coast of South America between the Amazon and the Orinoco

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rivaled Virginia as a prospective field for English colonizing activity; the Pilgrim Fathers considered it seriously as a place of settlement before they decided in favor of New England. The chief reason for the failure of English enterprise in Guiana seems to have been the hostility of Spain and Portugal. With the cession of Surinam to the Dutch in 1667 all English political contact with South America was broken, not to be restored until the close of the eighteenth century. Mr. Williamson's study is based to a large extent upon manuscript sources in the Public Record Office and the British Museum.

In its external relations the Irish Free State enjoys the status of a British Dominion, but its constitution differs significantly in several respects from those of the other Dominions, as is made clear by Professor J. G. Swift MacNeill in his *Studies in the Constitution of the Irish Free State* (Dublin, The Talbot Press, 1925; xxiii, 244 pp.). For one thing, it incorporates in law many rules of government which in England and in the other Dominions are merely rules of convention, the most important being those that have to do with the responsibility of the executive to the legislature. Unlike the other Dominion constitutions, also, it contains a bill of rights, guaranteeing individual liberty against legislative encroachment. It declares, furthermore, that the Irish Free State is a coequal member of the community of nations forming the British Commonwealth of Nations, and in so doing, Professor MacNeill thinks, it confirms and strengthens the rank and status of every member of that community.

A characteristic incident in the perennial Near Eastern Question is studied by Frederick Stanley Rodkey in *The Turco-Egyptian Question in the Relations of England, France, and Russia, 1832-1841* (Urbana, University of Illinois, Studies in the Social Sciences, Vol. XI, Nos. 3-4, 1923; 274 pp). By making use of recent publications for which Russian, German, French and British archives had been consulted, according to the nationality of the author, Mr. Rodkey has been able to write a straightforward account of the negotiations, which, if not distinguished, throws the several factors into bold relief and illustrates the difficulties of the Turkish problem. The Sultan and his rebellious Viceroy would have preferred to play their game without foreign interference, but neither was strong enough to withstand the pressure of the Great Powers. The Tsar wished to exploit the weakness of Turkey, and browbeat the Porte into accepting the Treaty of Unkiar Skelessi; but he was equally keen on disrupting the Anglo-French alliance, which he hated as

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the exponent of liberalism. For France it was a cardinal principle to maintain the independence of and integrity of the Ottoman Empire, and she sought to reconcile this with a strengthening of Mehemet Ali, who was to become her *protégé*. Between such vacillating policies, Palmerston, who knew very well what he wanted, resolutely steered a course intended to balk both France and Russia. He made the Tsar see the wisdom of renouncing the advantages of Unkiar Skelessi, thereby eliminating the danger of a Russian ascendency at Constantinople; sure of Nicholas, he dictated to the Egyptian ruler terms which France, isolated and unwilling to fight, had to accept. The upshot of the whole story was that Mehemet Ali got a legal recognition of his position in Egypt; the principle of the closing of the Straits, hitherto only "the ancient rule of the Ottoman Empire", was enshrined by a special convention in the public law of Europe; Turkey lost nothing and France and Russia gained nothing. But it was only a stop-gap solution, like many such solutions before and since: in a little more than ten years the Crimean War was to break out, with the same three Powers as protagonists, only with a different alignment. Mr. Rodkey points out that British policy was much influenced by a realization of the growing importance of steam navigation, which promised to make the Mediterranean a much shorter route to India, and that in 1835 a British officer conducted an expedition across Syria and Mesopotamia to examine the possibilities of a railway. After nearly a century, Great Britain has been able "to secure under her own control, either directly or indirectly, Egypt, Arabia, and Palestine—the major part of the territory claimed by Mehemet Ali in 1839" (p. 232). An appendix contains a number of interesting extracts from American diplomatists in Europe, which show that our representatives were well informed. — B. E. SCHMITT.

Dean Guy Stanton Ford and Professor William Stearns Davis, of the University of Minnesota, have edited for publication *The European Powers and the Near East, 1875-1908* (Minneapolis, the University of Minnesota, 1925; viii, 234 pp.), by their late colleague Professor Mason W. Tyler. The untimely death of Professor Tyler cut short the career of an able young scholar, whose ability in dealing with diplomatic questions in the Near East is well demonstrated by posthumous publication of his painstaking study of European rivalries in the Balkans and Asiatic Turkey. The work is based upon source materials, including the latest volumes of *Die Grosse Politik der Europäischen Kabinette;* it reveals no pronounced preju-

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dices even on controversial subjects; it preserves a reasonable balance between economic forces on the one hand and diplomatic and strategic considerations on the other. The volume is a worthy memorial to a popular teacher and an able scholar.

One has come to expect works of sound scholarship from the pen of Sir Thomas W. Arnold, Professor of Arabic in the School of Oriental Studies, University of London. His timely volume on *The Caliphate,* (New York, Oxford University Press, 1924; 223 pp.) is no disappointment in this respect. The book gives a complete exposition of the political theory of the Caliphate and traces the historical development of the institution from the death of Muhammad to the abolition of the Ottoman Caliphate in 1924. In addition to original sources the author has made available to the English reader for the first time much of the most important researches of German, Dutch and other distinguished authorities on Moslem history.

Although the principal purpose of *Our Competitors and Markets,* by Arnold W. Lahee (New York, Henry Holt and Company, 1924; xix, 477 pp.), is to introduce the student of foreign trade to the possibilities as markets, sources of raw materials, and fields for the investment of capital, of the major countries with which the United States [illegible]s commercial dealings, the book may well be consulted by th[illegible] of international relations and economic imperialism. The c[illegible] on Latin America and on the Far East, in particular, mer[illegible] attention of the student of contemporary history; also the ch[illegible] the "Interests of the United States" is an illuminating ill[illegible] tion of the changing objectives of American foreign poli[illegible]. It would be harsh, perhaps, to call the author a neo-mercantilist, but it would be equally inaccurate to consider him an economic internationalist.

The political break-up of the old Austro-Hungarian empire made necessary the dissolution of nearly all of the official and semi-official organizations which had existed under the dual government. Of these organizations one of the most important was the Bank of Austria-Hungary. It had been the sole bank of issue, and was a prosperous commercial enterprise as well. The winding-up of its affairs, with which the Reparation Commission was legally charged, proved a task of the greatest difficulty. Each of the successor states had valid claims to parts of its privileges, business and assets, and the rights of its stockholders had to be respected. At the same time the grave and disordered condition of affairs in the countries concerned made it necessary to keep the Bank in operation as a going

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concern throughout the process of liquidation. This process, begun at the end of 1919, was not terminated until the middle of 1924. *La Liquidation de la Banque d'Autriche-Hongrie* (Vienna, Imprimerie des Mechitharistes, 1924; xxi, 750 pp.), as the author, A. Zeuceanu, indicates in his preface, is not so much a treatise on the liquidation itself as an exhaustive description of the technical operations actually involved. Written by one of the three receivers appointed under the powers vested in the Reparations Commission, its authoritativeness is self-evident. Its laborious comprehensiveness is equally great. It is filled from cover to cover with extracts from treaties and laws, conventions and balance sheets, and will undoubtedly prove to be the standard work of reference on its subject. That very fact, however, makes it totally unreadable. It is perhaps unfair to criticize a writer for not doing what he never sought to achieve, but one cannot help wishing that a little more of the historical background had been sketched in, and a little more of interpretation. The successful liquidation of the Bank was one of the most important economic and political events that have taken place in Central Europe since the War, and its significance for the countries affected can hardly be exaggerated. Of all this M. Zeuceanu perhaps from very modesty, gives only the faintest suggestions. J. W. ANGELL.

The Common Sense of Money and Investment by Merryle Sta Rukeyser (New York, Simon and Schuster, 1924; xvii, 333 p offers sound and usable advice on the handling of an individua investment funds and much collateral information. The word usable is added to the word sound in characterizing the contents because the book presents the subject not only in general terms but also gives much specific concrete guidance, which, besides being practical, should help impress the wisdom of the generalization. Though the general advice is proverbial, it partakes of that character of soundness which the race embodies in proverbs. It needs reiterating for errant human nature. Mr. Rukeyser is financial editor of the *New York Evening Journal*. He says that in the course of three years he has received more than thirty thousand inquiries about practical financial questions from newspapers and magazine readers. The book reflects the familiarity these letters have given him with the investment problems of people whose experience lies in other fields than finance, and shows a realization that these problems assume an almost vital importance. Written with such a background the book has a tang lacking in most elementary works on the subject. The

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hand of the trained newspaper man appears in the clear and interesting treatment. People with much more experience in finance than those to whom the work is addressed will find it pleasant reading, and, incidentally, will glean items of information theretofore unknown to them besides getting a fresh view of the subject. The book is not an "original contribution" and is obviously not so intended. If it were an original contribution it would miss its mark, the great number of people who need its good sense—common sense in only the courtesy meaning of the phrase.—HASTINGS LYON.

In content and general arrangement *Credit Management,* by Emery E. Olson and J. W. Hallman (New York, The Ronald Press, 1925; viii, 444 pp.), is very similar to other books which have appeared in the same field under the titles of "Mercantile Credits" and "Credits and Collections". It is divided into five parts of from five to seven chapters each, its four hundred pages of text being contained in thirty-one chapters, the longest of which devotes thirty pages to "The Financial Record and Its Interpretation", and the shortest disposing of "Foreign Credits" in somewhat less than four pages. Part I is called "Basic Considerations", Part II, "Sources of Information and Its Analysis", Part III, "The Credit Department"; Part IV, "Completing the Credit Transaction" which covers what the collection phase of credit office operation and which deals with collection procedure and the legal relationships of debtors and creditors. Part V, "Credit Problems in Special Fields", devotes separate chapters to retail credit, installment sales, bank credit, the commercial paper broker, factoring, and foreign credits. The book contains thirty-nine illustrations, chiefly of forms used in connection with the work of the credit department. These are of course useful to the student to illustrate the actual practice involved in securing and handling credit information. The point of departure from similar texts is found in the problems which are in the appendix. The authors have given almost forty pages to these, grouping them under the five parts into which the book is divided. These will prove stimulating to the student and helpful to the teacher, for aside from the analysis of financial statements little has been done to provide problems for courses in the field of mercantile credit.—GEORGE FILIPETTI.

Besides his well known works on capital and interest and on the theory of value, Böhm-Bawerk wrote quite a number of articles and sketches in development and defense of the theoretical system of the Austrian school. The bulk of these articles, supplemented by a short

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biographical sketch of the author by F. X. Weiss, is now republished in a volume entitled *Gesammelte Schriften von Eugen von Böhm-Bawerk* (Vienna, Hölder-Pichler-Tempsky A. G., 1924; xix, 515 pp.). The book is divided into four rather unequal parts. In the first (pp. 1-126) we find Böhm-Bawerk's doctorate thesis on "Rights and Relations as Economic Goods". The thesis is that rights and relations are only a form of *Vermögensrechnung* and not economic goods proper, the latter being defined in the wake of C. Menger as disposable, appropriable, useful objects and services. It would involve a double counting to include as real goods both the objects-services and the rights-relations, since the latter are based on the former or subsume them in a form convenient for computation or marketing. That one could take into account only these "forms" and forego an introspection into the utility elements was not considered by the author, who was thus consistent in applying the common sense metaphysics of the marginal utility school. The second section (pp. 129-300) consists of articles on methods and scope of political economy. In the heated Menger-Schmoller controversy Böhm-Bawerk took the correct middle ground, but was inclined, as he naturally would be, to blame only the members of the Historical school and to uphold the advantages of the deductive method. In the last article of the section, "Power or Economic Laws" (191 the author attempts to show that the consideration of the element sccial power in economic relations is not destructive of the achievements of the marginal utility school, as R. Stolzman and others would have it, but can be carried on with the help of this apparatus, economic laws setting the limit to the operation of the element of force. The third section is formed of articles written in 1886-1898, dealing with the theory of value. The bulk of the section is a polemic with Dietzel and an attempt to maintain that utility and not cost is the ultimate standard of value. The law of cost is thus only a general name of the equalization process (*Nivellierungsproc.*), and describes in the majority of cases the adjustment of the marginal utility of means of production to the marginal utility of the finished product. The last section (pp. 499-515) consists of a short article on the causes of Austria's unfavorable balance of trade (1913), in which the author shows a keen insight into a practical problem. On the whole the volume leaves an impression of a preponderance of polemical material connected with controversies that are now far in the background. But it might be of considerable use to the student specially interested in the development of economic theory in Germany and Austria.—S. KUZNETS.

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The fault of taking a theme and material that would make a splendid short article, and expanding these into a tract that suggests an overstatement of a good case seems to be what William A. Robson has done in *The Relation of Wealth to Welfare* (London, George Allen and Unwin, Ltd., 1924; 176 pp.). Starting with a criticism of the tendency to evaluate everything in terms of money, and to assume that a man of large private income is likely to have many of the essential elements of the good life or the happy life denied to those living close to the poverty level, Mr. Robson announces his determination to investigate whether this is so or not. He examines one by one certain definite elements in human welfare, such as health, art, work and education, and considers separately the effects on the life of the individual of private income on the one hand, and of collective action and public expenditure on the other. He arrives at the conclusion that: "The power of private income to increase the welfare of its possessor in regard to the various elements under examination is as a matter of fact frequently or even always comparatively small; whereas the power of collective action and public expenditure to do so is often comparatively great." This is true enough, but—for the kind of public likely to read Mr. Robson's book—the suggestion that there are great potential advantages in further social effort and expenditure hardly needs to be bolstered up by the kind of argument used. It is overdrawn to say that since employer and clerk both have to breathe the same air, "A captain of industry in Lombard Street with an income of twenty thousand pounds a year will do most of his work under almost the same physical conditions as one of his junior clerks earning two pounds a week." Parts of his argument that the æsthetic pleasure of a poor man in contemplation of a work of art may be as great or greater than that of a rich man, and therefore that the latter has no advantage in the enjoyment of art are perilously like Paley's pæon of poverty, in which the necessity of practicing frugality is shown to be a pleasure unfortunately denied to the rich. In this and other ways Mr. Robson weakens the force of his excellent general thesis that we must acquire "the mental habit of thinking continuously of material well-being in terms of the non-monetary individual welfare, actual and potential, of large numbers of men and women and children."—H. FELDMAN.

Books on accidents and accident prevention no longer can be put in an obscure nook, but require a bookshelf, if not a bookcase, of their own. The latest addition is a comprehensive study on *Work-*

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men's Compensation Insurance (New York, McGraw-Hill Book Company, 1925; xi, 503 pp.) by G. F. Michelbacher, Secretary-Treasurer, and Thomas M. Nial, Assistant Secretary, of the National Bureau of Casualty and Surety Underwriters. As an authoritative exposition of the accident-insurance business, this book should prove useful not only to those who are engaged in that business but also to students of the problem and to those in private industry who have supervision of safety work and compensation. The outline of the book is well conceived. Part I supplies the factual basis of injuries and their prevention. Part II introduces the various types of indemnification for industrial injuries, contrasting employers' liability with workmen's compensation and describing the provisions of the latter in detail. Part III goes into the analysis of workmen's compensation and employers' liability insurance from such angles as the organization of a casualty insurance company, rate making, policy coverage, merit rating, the distribution of "shock" losses etc. The treatment of such a subject might be made unduly technical and detailed, but the authors have fortunately brought out their material in clear and interesting manner. Because of the many controversial points concerning the terms of workmen's compensation insurance in which a statement of opinion on the part of officials connected with insurance writers might be regarded by some as biased, the authors were wise to limit themselves on the whole to exposition of the facts without obtrusive opinion. The book is well supplied with excellent illustrations, tables and charts and has a most useful set of appendices.—H. FELDMAN.

Students of the economics of India have long felt the paucity of careful and scientific writings on labor. This hiatus has been partially filled by G. M. Broughton's *Labour in Indian Industries* (New York, Oxford University Press, 1924; vi, 214 pp.), which is a thesis approved for the degree of Doctor of Science in the University of London. The author first carefully marked out his field and then showed great self-restraint in staying inside his boundaries. The first two chapters are introductory and contain a survey of some of the important factors which have brought about the present-day economic and industrial life of India. The other chapters deal with the following subjects: the sources of the labor supply, the demand for labor, the conditions of employment and the measures which have been taken to improve the unsatisfactory conditions of the laborers. In his discussion, the author has been able to use the recent publications of the British Parliament and the Government

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of India. His most interesting sidelight is drawn from data contained in the census of 1921, and brings out clearly the degree of mobility of labor in different industrial districts. Chapter vi contains an excellent survey of the labor legislation in India. The author hopes (as do all lovers of India) that the lessons to be learned from the industrial revolutions of other countries may enable India to avoid some of the miseries of transition when the industrial revolution really comes. The important subjects of real and nominal wages, of workingman's credit, of child and adult education and of cooperation are not treated in this volume. The final conclusions are (1) labor conditions to be improved demand "a fundamental change in the attitude of the average employer towards his workers". (2) The chief defect in existing methods of amelioration is too much paternalism. The "Labor Movement" in India, now in its infancy, should be encouraged as a means of self-help and cooperation. (3) The state must make its contribution in general education, which must be the basis for all improvement in the condition of the industrial workers of India.—W. E. WEBB.

As a nation, Americans have become city dwellers; they are increasingly of "recent" immigrant stock. Notwithstanding these possibly alarming facts, our national "folkways" and mores are still those which have been derived from the early rural settlements that infiltrated the north Atlantic states. Allowing for the process of transmutation in the change from farm to city, many characteristic American attitudes in business and professional life are essentially rural. Their prototypes are still observable in farming communities that for more than a century have been supplying the West and the eastern cities with population. But with the coming of automobiles, paved highways, radio and what not, the countryside is undergoing cultural revolution and the basic rural attitudes are rapidly changing at their source. To catch unaltered and in their native setting these basic attitudes of a passing era, and to analyze them as original elements in an American culture pattern, is a contemporary problem of no small importance. It is more than the "comparative sociology" which Nicholas Petrescu feels he has originated; it is more like social-psychological archeology. Whatever the name, the task is one that has fallen to the social psychologist, and that finds exemplification in the latest study of a writer whose books in the same field have already attracted considerable attention. Professor James Mickel Williams's *Our Rural Heritage* (New York, Alfred A. Knopf, 1925; xvii, 246 pp.) is "on the

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whole the best book which has yet been written on the significance of country life for the development of American mental attitudes." The quotation is taken with approval from a reading list prepared for alumni by the Department of Sociology at Dartmouth. The study centers on a single town in up-state New York. The inquiry is minute. Its method includes an examination of local documentary sources, intimate face-to-face contacts with the people over a number of years, and in general an intensive "psychological investigation". The author is not successful in explaining the latter as a form of scientific research method, but in his own hands it seems to yield satisfying results. Summarization of these is difficult, for the assemblage of attitudes and the ingenious explanations taken from the farmer's environment and way of living, is rather encyclopædic. Some of the classes of attitudes discussed are the economic, religious and political; those having to do with relations between the sexes, and between parents and children; those taken toward the weather, the moon and other phenomena of nature. Few readers will be unable to discern in themselves a number of the mental characteristics described. The author's view throughout is that so aptly expressed by Whiting Williams: "We live our way into our thinking, rather than think our way into our living." A single illustration will give a cue to most of the analysis: In two adjacent communities, both intensely orthodox in religious observance, the crops were respectively grain and peaches. When the peaches ripened suddenly, it was both permissible and a duty to pick them on Sunday. The grain growers, whose crop ripened more slowly, disapproved of this Sabbath violation. A preacher with pulpits in both sections discoursed one morning to the grain growers from the text, "Remember the Sabbath day to keep it holy." But in the afternoon before the peach farmers, he was compelled to revise his sermon and preach from the passage, "The Sabbath was made for man and not man for the Sabbath." "For once he had to make two preparations."—STUART A. RICE.

When Israel was King (New York, Robert M. McBride and Company, 1924; 248 pp.), by Jerome and Jean Tharaud, is both a social and historical study of Hungary which reads like a novel, and leaves the same taste in the mouth one had after reading the Henry Ford attacks on the Jews in the *Dearborn Independent,* and like them so brilliantly written and with such intimate knowledge of the Jews that it seems as though no one but a Jew could have done it. As a literary work it is so well done that one understands why the

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French wanted it translated to make "better known in English-speaking countries some of the foremost writers of today." But its very art tends to invalidate its authenticity. The cover gives two authors, but it is written in the first person singular. It deals with Hungary and communism, about both of which there is so much more feeling than there is capacity to check facts. The point of the book, as indicated by the title, is concealed for several chapters in which vivid pictures of Bismarck, Count Tisza and Count Karolyi are drawn, though the last develops into a caricature which tends to create a bias against the ideas themselves which he advocated. There is too much literary license in the descriptions of experiences and purposes of the characters, some of which, while exceedingly interesting, are purely imaginative. To one who was in Budapest just after the time of the story, and who knows some of the personalities described, the mixture of accuracy and bias is obvious. The movement leads to the few weeks "When Israel was King" in the communist reign of Bela Kun. The implication is that Jews had led up to the situation and that the horrors of the Commune were peculiarly Jewish. It would be difficult to imagine a more readable book about a part of the world in which there has been comparatively little interest, important though it be. The lines are accurate b[u]t the perspective is distorted. With slight variations of foc[u]s [a]nd emphasis the same historical sequences would permit qui[te] [a] different interpretation.—H. A. MILLER.

No person interested in present-day Southern problems and their solution should fail to read Frank Tannenbaum's informing and suggestive volume entitled *Darker Phases of the South* (New York, G. P. Putnam's Sons, 1924; vii, 203 pp.). Basing his facts on personal observation and investigation, Mr. Tannenbaum discusses at considerable length what he believes to be some of the worst aspects of Southern social and economic life, namely, Ku-Kluxism, the evils of growing capitalistic industrialism as displayed in the Southern mill town, the Southern penal system, and Southern dependence on a single crop—cotton. Unlike many, the author is not content with merely picturing conditions, but in every instance he seeks to lay bare the factors which have produced them. Thus the Ku Klux Klan, he points out, is, as far as the South is concerned, not only the embodiment of a Civil War tradition but an emotional product of the small town where life at best is monotonous. Southern Ku-Kluxism, in other words, rests on psychological foundations. In his last chapter, "The Problem of Southern Solutions", Mr. Tannen-

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baum devotes considerable space to the negro question. In this connection he maintains that the trouble with the South is not that it has a negro problem but that it is over-conscious about it. Many of the South's present ills, he believes, could be cured by the introduction of large numbers of foreigners who would not only take the place of the migrating negro but would help diversify Southern agriculture, develop Southern industries and, above all, serve as a tonic for the South's spiritual and social well-being. The author has handled his material in scholarly fashion and whether or not one agrees with either his interpretations or conclusions, the book is of the thought-provoking kind.—H. J. CARMAN.

A. G. Keller's *Starting Points in Social Science* (Boston, Ginn and Company, 1925; 183 pp.) is a collection of essays which have been used during the past two years in Yale University in connection with a freshman "orientation" course. As would be expected in view of Professor Keller's *Societal Evolution,* this work is written from the standpoint of Darwinism, its central theme being that social activities and institutions are the outgrowth of man's effort to adjust himself to his environment. After a very brief introduction on "Types of Environment and of Mankind", there are two chapters dealing with heredity, variation and selection as the agencies of adjustment and eleven chapters dealing with different modes of "Human Adjustments". In these chapters the entire range of human activities from the quest for food and the transformation of materials, to marriage, war, religion, science, education, and the arts of pleasure are covered. One cannot say, however, that it is a very useful book. It lacks a systematic and thorough discussion of any single topic. There is no attention to problems of origins and no analytical discussion of phases or stages of development. There is a complete absence of technicalities, and little attention to the requirements of scholarly production. It does not seem clear to the reviewer that all the complexities of modern scholarly controversy should be glossed over or wholly avoided in a work even for freshmen. The book has a somewhat antiquated flavor about it and gives the impression of having been written by its author while in his easy chair. The idea of adjustment effected by certain fundamental processes is most valuable, but in the absence of more factual material and more painstaking analyses than are here presented the book appears quite inadequate as an introductory text.—F. H. HANKINS.

Adequate proof that a close relationship exists between business and politics is afforded in Professor Reginald Charles McGrane's

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interesting and informing study entitled *The Panic of 1837—Some Financial Problems of the Jacksonian Era* (Chicago, University of Chicago Press, 1924; vi, 260 pp.). The author first shows how the three great wealth-producing areas of the country — the East, the South and the West — either consciously or unconsciously set the stage for the panic during the years just prior to 1837. In this connection he has a very suggestive chapter on land speculation in which he proves pretty conclusively that while all classes and all sections of the country had a mania for buying land, it was the conservative eastern capitalist who was the heaviest plunger and who, as a rule, profited at the expense of the easy-going Southerner or the uninformed immigrant. In his third chapter, in which he traces the story of Biddle's efforts to secure the re-charter of the bank, one gets first-hand glimpses of the real stuff of politics. In discussing the financial and industrial aspects of the panic Professor McGrane lays special emphasis on the westward movement, the effect of the great business depression on labor and the stimulus given to railroad building. He points out that, politically, the panic not only paved the way for the Whig triumph of 1840 but prepared the way for the long struggle over the sub-treasury measure. The book is based almost entirely on manuscript and newspaper material.— H. J. CARMAN.

It takes not only brilliance but boldness to [illegible] complete solution of a difficult social question, a book [illegible] together during three months, necessarily in the ordinary leisure from business and an annual holiday." This, however, is what W. H. Wakinshaw, M. A., Dipl. Educ. (Oxon.), formerly scholar of Exeter College, Oxford, has done in *The Solution of Unemployment* (Newcastle-upon-Tyne, England, Andrew Reid and Company, Ltd., 1924; viii, 289 pp.). Mr. Wakinshaw confidently attacks the gold system. He would substitute for it a system of goods-tickets, in which the amount printed by the government presses would vary directly with the increase in production. The subtitle of his book, "The Postulates and Implications of the Social Credit Theorem of Major C. H. Douglas, M. I. M. E.," will indicate, to those familiar with radical English economics, the basis of the confident assertions of this author. To criticize his contribution is impossible because he takes in such a vast field. Within the limits of the 226 pages which form the main part of his book, he has an answer and solution for the reconstruction of English parliamentary government, for imperialism, business ethics and a host of other subjects, and he finds space for numerous quotations of choice

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bits from philosophers, poets, economists and others. These, along with many acute observations of the author's own, and a certain pungency of language, make one feel that the author is a fascinating conversationalist in print. It is to be feared that the orthodox economists, whom he so violently attacks, will not be won over by his complete demonstration. And indeed, the solution of unemployment seems not yet to have been found.—H. FELDMAN.

Proponents of a "living wage" in industry have for the most part followed the lead of Mr. Seebohm Rowntree in making their demands on the basis of a "typical" family of husband, wife and three children. Dr. A. L. Bowley, in 1921, showed that a family so constituted only occurs in fifty-six households per thousand in the skilled group and fifty-two households in the unskilled, and that should such a "living wage" be adopted, it would make provision for three million phantom wives and for over sixteen million phantom children in the families containing less than three children, while one and a quarter million children would be unprovided for in families where there are over three. To provide a more efficacious program for a "living wage" to meet the needs of the family, is the problem to which Miss Eleanor F. Rathbone devotes her attention in her book *The Disinherited Family: A Plea for the Endowment of the Family* (London, Edward Arnold and Company, 1924; xii, 332 pp.). In the fervid manner of a reformer, she discusses the effect of the present method of providing fo families on the distribution of wealth, the character of national expen iture, the efficiency of the workers, the well-being of their homes, th wives and children, the birth rate and on the status of women as mothers and wage-earners, disregarding all other factors inherent in the capitalist system producing the present evils. She describes the interesting experiments, projected or actually in operation, in Australia, New South Wales, France, Germany, Austria and Holland, and considers how far these are applicable to the conditions of England, and how the difficulties and objections which impede them can best be met. To her, "Family Endowment is greater than a scheme of child welfare or a device of wage distribution; it offers a hope not dependent for achievement on a revolution or a scientific miracle," of giving every family the material means for healthy living.—BERNHARD J. STERN.

The increasing emphasis placed upon quantitative methods in the social sciences is evidenced by the growing list of books on statistics. Not merely has the number of these greatly increased; but in addition, a substantial proportion of the newer books represents an attempt to introduce the subject to classes of readers who in the not remote past

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were innocent of any contact with it. Such books necessarily make small claim to originality or profundity. Their merit depends upon their comparative effectiveness in presenting fairly standardized concepts and procedures in such simplified fashion that they will be understood by non-mathematically trained and non-technically minded persons. Among recent "first course" texts which may claim some degree of success of this kind may be included *Elements of Statistics* by Frederick C. Kent (New York, McGraw-Hill Book Company, 1924; xi, 178 pp.). The author, who is Associate Professor of Mathematics in Oregon Agricultural College, has a clear und straightforward style, and has selected his illustrative charts and tables with care. The data employed for this purpose and for the numerous "exercises" are drawn largely from meteorology and from current commodity prices. It may be questioned however whether in less than 134 pages of exposition any treatment of theory and method dealing with the variety of topics here discussed could be wholly adequate. Professor Kent's treatise is designed for an elementary college course in statistics *per se;* that is, he does not endeavor to limit his applications to any one of the numerous fields in which statistical methods are coming to be employed.—STUART A. RICE.

Differing sharply in this respect is a volume in the "Measurement and Adjustment Series", edited by Lewis M. Terman, *Statistical Method in Educational Measurement* (Yonkers-on-Hudson, World Book Company, 1925; xi, 337 pp.) has as its author Arthur S. Otis, the originator of a number of intelligence and other tests. It has been written especially for teachers and administrators who are called upon to apply and interpret such tests, and whose interest is therefore essentially with procedure rather than with principles. The author has been singularly successful in holding to this purpose, so that his book is essentially a manual rather than a text. The statistician who is out of touch with recent developments in education, will find much that is unfamiliar in this volume because of the nature of the practical educational problems that are attacked. This appears to support the contention that books on statistics written from the several points of view of the different social sciences are justified by differences in the subject matter of the latter, even though the methods described are in each case fundamentally the same. Those whose approach to these methods is mathematical, however, will inevitably feel annoyed by unqualified statements like the following from the present author: "The product-moment method is not the best method of finding the coefficient of correlation. A better method is described, which, however, is not

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well known"—especially when the better method turns out to be identified in important respects with the author's name. A number of very practical devices for the educational tester are included, such as an "Age Calculator" and an "I. Q. Slide Rule."—STUART A. RICE.

Under the leadership of Dr. Henry C. Metcalf, Director of the Bureau of Personnel Administration, there met in New York, during the winter of 1923–1924, a group of high executives, students and others, for the purpose of discussing the science and art of business administration. The intellectual plane of these conferences was far higher than the restricted technical point of view ordinarily taken by such groups. James Harvey Robinson led the discussion one evening in a paper on "Intelligence Versus Reason in Personnel Administration." A distinguished professor of biology from Dartmouth, William Patten, spoke about "Nature's Administrative Methods." Thomas Nixon Carver took a session to explain "The Evolution of the Labor-Capitalist Class." C. Floyd Haviland contributed a paper on "Industrial Psychiatry," and Robert B. Wolf, on "Periodic Planes of Creation." Dr. Harlow S. Person, one of our most brilliant philosophers of scientific management, spoke about "New Tendencies and Problems in Business Management." Equally significant and vital aspects of management and of labor relations were discussed on various evenings by Alvin Johnson, Robert M. Yerkes, C. E. A. Winslow, Walton H. Hamilton, George Soule, E. K. Hall, Harold G. Moulton, Benjamin Stolberg, William E. Mosher and Cassius J. Keyser. These papers, with the chief questions raised by the audience at each conference, and an excellent introduction by Dr. Metcalf, have now been published in book form in *Linking Science and Industry* (Baltimore, Williams and Wilkins, 1925; 206 pp.) as the second in the Human Relations Series. The volume is one of the most stimulating and broad-visioned that has yet appeared in this field. Those in practical life who aspire to the cult of the advanced industrial administrators will find great delight in it. And students who have gotten beyond the crude notion that all of business is a pursuit of Babbitts will find in it significant evidence of the professionalizing of the career of business.—H. FELDMAN.

The authors of *Psychological Tests in Business*, A. W. Kornhauser and F. A. Kingsbury (Chicago, University of Chicago Press, 1924; ix, 194 pp.), have performed a valuable service in bringing together into readable shape all the material now extant in this country on psychological tests in their economic application. Their statement is distinctly encouraging when one realizes that the subject matter of this

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book could not have been brought together ten years ago. And if one may judge by the amount of experimental activity now under way, the next ten years should see a considerable addition to the technique of scientific testing. The study is realistic in the extreme; no false hopes are held out; and no exaggerated claims are made for the work that has been done. The book is a useful manual in its field.—ORDWAY TEAD.

The literature of accountancy has increased rapidly in Germany during the last four years, partly as a result of the economic conditions since 1918. One of the most interesting books on accounting is E. Schmalenbach's *Grundlagen dynamischer Bilanzlehre* (Leipzig, Verlag A. Gloeckner, 1925; viii, 288 pp.), a scientific work of high value for both the accountant and the economist. The author approaches the subject from the viewpoint that the business man is not a profiteer but a man in a highly responsible position as an organizer in the economic life of the nation. The aim of his book is to provide a logical schooling for the business man. It attempts to make him feel his high responsibility in the economic life of the nation, to show him that a true understanding of every so-called practical question requires an understanding of underlying theory and a logical analysis and insight into the various problems involved. The book is written for those who are already acquainted with the general problems of accounting. The first chapter deals with general economic principles. "The Various Fields of Accounting" is the subject of the second chapter. Beginning with "Cameralistic Accounting" in Germany in the middle ages, a short outline of the development is given, followed by a historical view of "Farm Accounting" (*Landwirtschaftliches Rechnungswesen*) and general "Business Accounting." Principles of general accounting and the importance of the balance sheet are widely covered in the next chapter. The reader will be very much interested in the following part dealing with the different theoretical opinions on the purpose of the balance sheet. Has the balance sheet a dynamic or a static purpose, i. e., should it merely show the property of a business at a certain date or should it state the changes of property between two dates? The following chapters deal with the definition of profit, and various methods of depreciation and the influence of fluctuations in the value of goods. The author next studies the influence of the fluctuations of currency as a general accounting problem. He shows by means of practical examples how the whole accounting system, the drawing of the balance sheet and the profit and loss statement were influenced by a depreciated currency and how, by means of index

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numbers and use of foreign currency, the necessary corrections were made. How complicated accounting was in the time of highest depreciation of the currency is shown by one illustration, according to which, the paper-mark profit-and-loss statement showed a *profit* amounting to 20,716,585 marks, whereas the same profit-and-loss statement with the necessary corrections and stated in gold marks showed a *loss* of 59,969, the gold mark being equal to 92,232,692 paper marks, figured in accordance with the general index as of the date of the balance sheet.—BERTHOLD H. HAHNEBACH.

In *Civic Sociology* (Yonkers-on-Hudson, World Book Company, 1925, vi, 365 pp.) Professor Edward A. Ross has rendered an important service to American high schools, and to future American citizenship. Part One aims to give such comprehension as may reasonably be expected of high school pupils of the general conditions under which we live. It discusses the trend of population and increasing pressure on natural resources, the drift to the cities, the spread of machine industry, "the expansion of the social mind", and "the transformation of the home". Parts Two and Three take up in succession the major practical problems both "social" and "civic" by which our time is confronted and handles them with a clearness, definiteness and pungency that will not fail to stimulate the mental reactions of pupils who study the book. The twenty-two problems to each of which a chapter is devoted include, for example, "Child Welfare", "Social Defense Against Crime", "The Promotion of Peace Among Nationalities", "The Labor-Capital Struggle", and "The Place of Party." The book's most distinctive merit, aside from the simplicity and vigor of its style, lies in the fact that instead of dealing chiefly with experiments in social service or legislation that for the moment chance to be the newest wrinkle, Professor Ross deals with the fundamental convictions and attitudes upon which the welfare and progress of society really depend. He discusses such topics as standards of social distinction, independence, and freedom of speech and such questions as, "Why shouldn't I vote for my friends?" and "Why should I obey a law put over us by a lot of blue-noses?" in a way that escapes all danger of heaviness or repulsive abstractness. The volume is illustrated by charts and diagrams but no mere pictures. Each chapter is opened by an outline of the chapter's contents and closes with questions on the text, questions for classroom discussion and topics for investigation and report.—EDWARD CARY HAYES.

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